



ANTI CORRUPTION GUIDE

VERSION 2.0

TM ANTI-CORRUPTION GUIDE



Telekom Malaysia Berhad

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Malaysia Berhad.

VERSION 2.0

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TM ANTI-CORRUPTION GUIDE

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01

WHAT IS THIS GUIDE
ABOUT?

TM ANTI-CORRUPTION GUIDE

1. WHAT IS THIS GUIDE ABOUT?

TM is committed in conducting its business in an open, honest and ethical manner. TM adopts a zero tolerance approach to all forms of corruption. The Anti-Corruption Guide (“this Guide”) sets out the policy statements and guidelines in relation to improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. It supplements TM Code of Conduct & Business Ethics (“CBE”) – which itself contains an express prohibition on all forms of bribery and corrupt activities.

Pursuant to the enforcement of Section 17A, Malaysian Anti-Corruption Commission Act 2009 (“MACCA 2009”) – Corporate Liability Provision, TM Board of Directors, Management, Employees and Business Partners are prohibited from offering or giving any gratification to any party to obtain or retain business or advantage for the TM Group as illustrated in Chapter 4 in this Guide.

This Guide:

- 1.1. Is prepared for TM Board of Directors, Management, Employees, Business Partners and others acting on behalf of TM to cultivate TM Group’s core values and expectations, as well as providing the guidelines and processes that relate to corruption case handling in TM; The definitions for the purpose of this Guide:

“TM Group” shall include TM and its subsidiary Companies; and “Business Partners” shall include Individual or entity who has some degree of involvement with another individual or entity’s business (as defined under the Malaysian Anti-Corruption Commission Act 2009 (“MACCA 2009”)) dealings. A Business Partner may include but is not limited to suppliers/vendors, service providers, customers, competitors, agents (as defined under the MACCA 2009) and/or resellers, contractors (including sub-contractors) and joint venture partners and others who are acting for or on behalf of TM Group.
- 1.2. Is part of TM’s commitment to adhere strictly to the relevant laws in relation to corruption including but not limited to the MACCA 2009, the Penal Code (Act 574) (“Penal Code”) and the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (“AMLA 2001”), which are directly relevant to TM, as a company;
- 1.3. Provides examples of situations and hypothetical questions to help TM’s Board of Directors, Management, Employees and Business Partners understand the definition, description and actions required if they encounter any issues related to bribery and corruption; and
- 1.4. Is intended to serve as a preventive tool to help TM Board of Directors, Management, Employees and Business Partners recognise, detect and avoid potential corrupt practices.

02

WHO IS COVERED BY THIS
GUIDE?

TM ANTI-CORRUPTION GUIDE

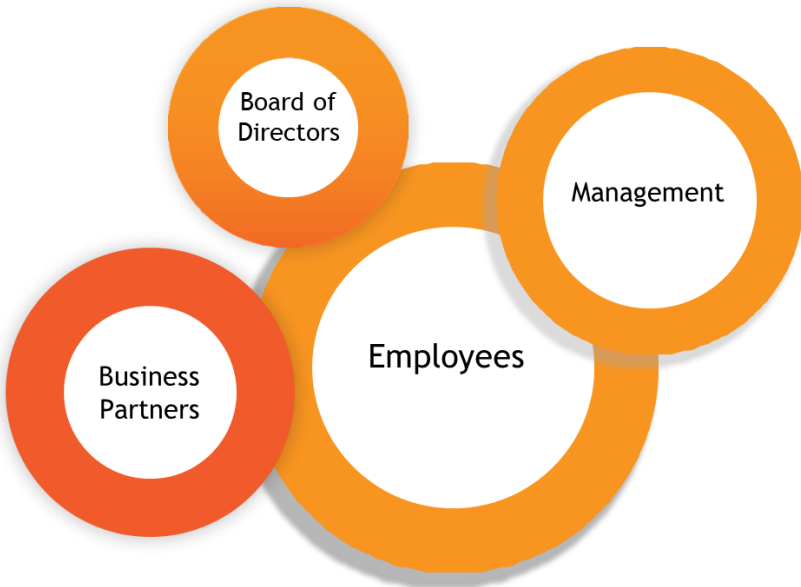
2. WHO IS COVERED BY THIS GUIDE?

This Guide applies to:

- 2.1. TM Group including its:
 - Board of Directors;
 - Management; and
 - Employees, that consists of:
 - I. Permanent and contract staff
 - II. Leasing and temporary staff
 - III. Trainees and interns
- 2.2. Business Partners

Business Partners are required to strictly adhere to this Guide where it is relevant to their relationship, services and/or products provided to TM Group.

TM Board of Directors, Management and Employees must strictly comply with this Guide. The respective supervisors are responsible to ensure that their subordinates read, understand and comply with this Guide at all times.



03

QUESTION YOU MAY ASK
ABOUT CORRUPTION

TM ANTI-CORRUPTION GUIDE

3. QUESTIONS YOU MAY HAVE ABOUT CORRUPTION

3.1 WHAT is corruption?
3.1.1 Definition
3.1.2 Examples
3.1.3 Corruption Related Offences

3.2 WHY do we have to avoid corruption?
3.2.1 Compliance
3.2.2 Risk

3.3 WHO is responsible to prevent corruption?
3.3.1 Board of Directors
3.3.2 Management
3.3.3 All Employees
3.3.4 Business Partners

3.4 WHERE can we refer to for provisions relating to corruption?
3.4.1 Malaysian Laws
3.4.2 TM Policies & Guidelines



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3.1 WHAT IS CORRUPTION?

3.1.2 EXAMPLES

- Examples of gratification Money, donations, gifts, loans, facilitation fee, rewards, position, title, etc.

- Illustration

A contractor provides a gift in the form of an expensive watch to a TM Employee in order to help him obtain early information on a project that TM will be launching.

3.1.1 DEFINITION

Corruption is the act of giving or receiving of any gratification or reward in the form of cash or in-kind irrespective of value for performing a task in relation to one's job description.

3.1.3 CORRUPTION RELATED OFFENCES including but not limited to:

- Bribery (Giving & Receiving)
- Embezzlement
- Collusion/Bid-Rigging
- Abuse of Power/ Position
- False Claim
- Unauthorized Disclosure of Confidential Information (Leakage of information)
- Conflict of Interest



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3.2 CORRUPTION RELATED OFFENCES

TM Board of Directors, Management, Employees and Business Partners are required to comply with the following:

- I. Gratification must not be offered, promised, paid, requested, agreed to or accepted. Gratification can take shape in the form of money, gifts in-kind, discount offers, votes, services, job position/placement, loan and many other forms of payment and purchases or as defined under Section 3 of MACCA 2009.
- II. TM does not make political donations (whether to individuals, political parties or other political organisations, either in Malaysia or overseas). Any political donations made on behalf of TM by Board of Directors, Management, Employees and Business Partners will be deemed as a violation of this Guide and other relevant TM internal policies.
- III. Disciplinary action will be taken against Employees (which shall include Board of Directors and Management) who breach this Guide. This includes the sanction of summary dismissal in cases where staff pays or receives bribes. Similar action will also be taken against Business Partners performing services for TM Group who fail to abide by this Guide or any Applicable Laws and Regulations which includes termination of TM's relationship with them.
- IV. TM encourages all TM Board of Directors, Management, Employees and Business Partners to immediately report via TM Ethics Line on any corrupt practices encountered. All reports will be handled confidentially and TM is committed to ensure that adequate and reasonable protections are to be granted to TM Board of Directors, Management and Employees who reports corrupt practices in good faith.
- V. A deliberate failure to report suspicions of corruption or to conceal corrupt acts by others will also be subjected to disciplinary action.
- VI. Third parties who have, or who are suspected of committing corrupt practices should not be engaged to work for TM.
- VII. Any malicious, willful or deliberate misreporting or suspicion of corrupt acts shall be treated as a disciplinary matter, and handled through TM internal policies governing the matter.

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- VIII. TM prohibits any form of facilitation payments. Facilitation payment commonly known as “facilitating”, “speed” or “grease” payments are payments made to an individual in control of a process or decision with the intention of expediting the administrative process and performance to which the payer of the facilitation payment has an interest. Facilitation payments fall within the interpretation of Gratification under the MACCA 2009 and therefore prohibited in Malaysia. In the event that you have been solicited for facilitation payment, and you are not sure as to the validity of an official's request for a payment, you should immediately report to TM Ethics Line.
- IX. Exceptions for the above mentioned provisions include, if deemed necessary, to protect life, limb or liberty. Nonetheless, TM Board of Directors, Management, Employees and Business Partners are required to report immediately to TM Ethics Line.

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CORRUPTION RELATED OFFENCES

a) Bribery (Giving/ Receiving)

Definition

A bribe can be any type of benefit. It can be a cash payment, or it can be in the form of a gift, entertainment, giving a donation or property, paying for a holiday, providing the promise of future employment, or titles (e.g. Dato', Tan Sri). Payment made to secure or expedite the performance by a person performing a routine or administrative duty or function is also deemed as bribery.

How?

1. An offence of bribery (under Section 16 & 17 of MACCA 2009) is committed when a person (whether directly or through another person or organisation) solicits, receives, agrees to receive, accepts, obtains, gives, promises or offers a benefit for himself or for any other person with the intention or knowledge that the benefit will be used to induce someone to perform a dishonest act.
2. An offence of bribery (under Section 17A, MACCA 2009) by a Commercial Organisation is committed when a person associated with the organisation corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent to obtain or retain business for the organisation; or to obtain or retain an advantage in the conduct of business for the organisation.

Illustrations

- I. A Manager who has access to confidential information pertaining to a project, requests for a cash payment from a supplier in return for disclosing such confidential information.
- II. A Bank Officer promises a holiday package to TM's investment officer who has the authority to decide on fund investment on behalf of TM, if he manages to secure a deal with TM.
- III. A TM Outlet staff requests for a "fee" from a customer to expedite the processing and installation of unifi at the customer's premise.
- IV. A Project Manager imposes a charge to expedite the issuance of a 'Certificate of Acceptance' to a contractor.
- V. A contractor pays a sum of cash to a TM Employee to expedite remittance of payment.
- VI. A Sales Manager gives a free trip package to an individual or organisation with the intention of securing bid to Supply Network Services for 5 years.

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CORRUPTION RELATED OFFENCES

b) Collusion/Bid-Rigging

Definition

Collusion occurs where two or more parties co-operate to defraud or deceive another party. This is a type of fraud and is often described as a “cartel”, “anti-trust” or “anti-competitive” offence.

An example of collusion is where bidders fraudulently collude in order to arrange for a particular bidder to win a contract and at a certain fixed price. This form of collusion is often referred to as “bid-rigging”. Bid rigging is an offence under the Competition Act 2010 (Section 4(2)). These arrangements will usually result in a higher price to the client.

Illustrations

- a) Company A, B and C agreed to submit tender responses for a TM tender. Company A and B agree to bid for prices higher than C. Company C submits the bid at a lower price, that is pre-agreed by all 3 companies. When C is awarded with the tender, the profit is shared between the 3 companies.
- b) Companies conspire with each other to control the price ceiling for a TM tender so that TM has limited options to select companies based on competitive price.

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CORRUPTION RELATED OFFENCES

c) Abuse of Power/ Position

Definition

Abuse of Power/ Position takes place when a person who is a member of a public or government body uses his position or the office in making a decision or taking action for the benefit of himself, his relative or associate, as stipulated under Section 23 of MACCA 2009.

Illustrations

- I. A TM Head of Division instructs his divisional purchasing officer to purchase office supplies from a company that belongs to his brother.
- II. A HR Manager bypasses the proper hiring process when hiring his relative for a position in TM.
- III. A member of a procurement approval committee accepts a bribe to influence the award of a contract.
- IV. A supervising engineer solicits a bribe from a TM contractor in order to certify certification of completion upon request from the contractor even though the project is faulty.

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CORRUPTION RELATED OFFENCES

d) Embezzlement

Definition

Embezzlement is a form of theft. It occurs where someone dishonestly appropriates money or other assets with which he has been entrusted.

Illustrations

- I. A TM Employee managing TM Outlet uses daily cash collection for personal expenses.
- II. A TM Employee provides false information on the register of company supplies and diverts two drums of new and unused cable to be sold off as scrap items and pockets the proceeds.
- III. A TM Employee responsible to manage petty cash uses the money to buy his personal items.

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CORRUPTION RELATED OFFENCES

e) False Claim

Definition

Dishonestly obtaining the property of another by some deception or misrepresentation of fact e.g. any person providing documents such as receipts or invoices that are false or contain false details with the intention of deceiving the principal. Such offence may be charged under Section 18, MACCA 2009.

Illustrations

- I. A TM Employee makes false claim for overtime or entertainment allowance.
- II. A TM Employee falsely records the number of used batteries returned to the Malaysia Logistic warehouse and sells the unrecorded items to earn extra cash.
- III. A Project Manager falsifies records of purchasing.
- IV. A company falsifies its financial records to qualify for a tender.

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CORRUPTION RELATED OFFENCES

f) Unauthorised Disclosure of Confidential Information (Leakage of Information)

Definition

Unauthorised use of TM's proprietary information by Employees and Business Partners.

Illustrations

- I. A procurement officer who is managing an on-going TM project/tender discloses one of the tenderer's proposals with another company that is also interested to participate in the same tender.
- II. A TM Employee leaks confidential information of a TM high-profile project as early information to a potential supplier so that the supplier can provide a proposal that meets all specifications and budget of the project.
- III. A TM Employee who has information on a project provides information to his 'relatives' or 'friends' company' to bid for the project. He has a silent interest in the company.

TM ANTI-CORRUPTION GUIDE

3.2 WHY DO WE HAVE TO AVOID CORRUPTION?

3.2.1 Compliance

Comply with relevant laws in relation to corruption including but not limited to the:

- MACCA 2009
- Penal Code
- AMLA 2001

3.2.2 Risk

Risk to you

- Criminal liability, possible fine and/or imprisonment
- Civil liability and payment of damages
- Loss of reputation
- Loss of employment
- Dismissal from membership of any professional association of which you are a member.

Risk to TM

- Corporate liability, possible fine and/or imprisonment
- Criminal liability and possible fine
- Civil liability and payment of damages
- Loss of reputation
- Loss of business
- Debarment from projects
- Financial loss

TM ANTI-CORRUPTION GUIDE

3.3 WHO is responsible in preventing corruption?

3.3.1 Board of Directors

- Promote good governance
- Do not condone improper practice of the company, if any
- Give assurance on whistle-blowing protection

3.3.2 Management

- Ensure subordinates understand and comply with TM's existing policies and Malaysian laws
- Provide adequate training and exposure
- Do not condone improper practice of the company, if any

3.3.3 Employees

- Understand and comply this Guide
- Do not condone improper practice of the company, if any
- Raise red flags
- Report complaint via TM Ethics Line

3.3.4 Business Partners

- Understand and comply with this Guide
- Do not condone improper practice of the company, if any
- Report complaint via TM Ethics Line

3.4 Where can we refer to for provisions relating to anti-corruption?

3.4.1 Malaysian Law

MACCA 2009

The main 4 offences under the MACCA 2009:

- Soliciting and accepting bribe
- Offering or giving bribe
- False claim
- Abuse of position/office

The main offence against Commercial Organisation under MACCA 2009 is:

- Corporate Liability offence where a commercial organisation commits an offence if an associated person corruptly gives, agrees to give, promises or offers gratification to any person with an intent "to obtain or retain business" or "an advantage in the conduct of business for the commercial organisation"

AMLA 2001

- Under Section 4 (1) of AMLA 2001, whosoever launders his property which comes from illegal activities such as bribery, criminal breach of trust, and false claim is deemed to have committed an offence.

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Penal Code (Act 574)

The relevant provisions relating to corruption under the Penal Code:

- Sections 161-165 are offences relating to public servants taking gratification other than legal remuneration in an official capacity.
- Sections 213-215 dwell on the giving and receiving of gratifications for the purpose of preventing or concealing from any punishment or legal action.

3.4.2 TM Internal Policies

Code of Conduct & Business Ethic (CBE)

The relevant provisions relating to corruption under the Policy:

a) CBE, Provision 12.2 Gifts

- Employees and family members are prohibited from, directly or indirectly soliciting, requesting, receiving gifts (cash or otherwise) from Business Partners or any third parties that has dealings with TM;
- Employees must inform Business Partners or any third parties involved in business dealings with TM on this Gift Policy and they must respect and adhere to TM's policy.

b) CBE, Provision 13: Anti-Corruption Policy

- TM adopts a Zero-Tolerance policy with a top down approach against all forms of corruption, whether directly or indirectly.
- Board of Directors, Management, Employees and Business Partners are responsible for upholding TM reputation and applying the highest standards of ethical conduct and integrity in its business dealings in line with TM's vision and mission and TM Core Values (KRISTAL).
- Board of Directors, Management, Employees and Business Partners are required to comply with the MACCA 2009 particularly on Section 17A and all Applicable Laws and Regulations.

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Procurement Ethics Rules and Practices

The Procurement Ethics Rules and Practices focuses on three key tenets of ethical

conduct:

- Zero tolerance on corruption;
- No or transparent conflicts of interest; and
- Honest representation of capabilities

04

CONSEQUENCES OF THE BREACHING THIS GUIDE

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4. CONSEQUENCES OF BREACHING THIS GUIDE

4.1 WHO MAY BE LIABLE FOR CORRUPTION (INDIVIDUAL)

Those directly involved

Any individual who is directly involved in committing any corrupt practices will be liable for the offence.

Example:

A TM Employee requests a bribe from a TM Business Partner.

Those in authority

A person in authority expressly authorised the offence or that type of offence, or knew of the offence and either consented to it or turned a blind eye to it.

Example:

A TM Head of Division keeps quiet on false overtime claim by his subordinates and does not do anything to prevent or correct the situation.

Individual Liability

Those indirectly involved

An individual may be liable where he has used another person to act on his behalf.

Example:

A TM Business Partner requests its sub-contractor to bribe a TM Employee for a contract award.

Aiding & abetting

An individual may also be liable for the offence of aiding and abetting where he has somehow facilitated the committing of the offence.

Example:

TM Head of Division gives consent for subordinate to request bribe from a TM Business Partner.

TM ANTI-CORRUPTION GUIDE

4. CONSEQUENCES OF BREACHING THIS GUIDE

4.2 WHO MAY BE LIABLE FOR CORRUPTION (CORPORATE)

Through the acts of its agents

Through the corrupt act of an individual or company who has been appointed to act on its behalf and where the corrupt act is committed in the course of the appointment.

Example:

TM contactor pays bribe to a local authority for way leave permission to lay down cable on behalf of TM.

Through the acts of its employees

Through the corrupt act of an employee (whatever his position) if the employee was acting within the course of his employment.

Example:

A TM Employee bribes to a government official to influence the decision of spectrum license award for TM.

CORPORATE LIABILITY

Through the acts of its related companies of business partners

A company could be liable for a corrupt act committed by subsidiary or associated company, joint-venture or consortium partner, sub-contractor or supplier, where that corrupt act could benefit the company's business.

Example:

TM Subsidiary gives commission to a client procurement officer for awarding contract to the company.

"Turning a blind eye"/ Connivance

A party in authority (such as an officer or manager of company) suspects corruption in relation to a business transaction in which the company involved, but deliberately refrains from making further inquiries and taking preventive steps.

Example:

TM Senior Management receives allegation of corruption but decided not to proceed with investigation as it involves a top ranked officer in the company.

TM ANTI-CORRUPTION GUIDE

4. CONSEQUENCES OF BREACHING THIS GUIDE

4.2 PENALTIES & PUNISHMENT

TM Board of Directors, Management, Employees and Business Partners are responsible to comply with all Applicable Laws and Policies of the Company.

Violation of the laws which includes but not limited to the MACCA 2009, Penal Code and AMLA 2001 shall be punishable with imprisonment or fine or both under the respective Acts.

Any breach of TM policies could result in the following disciplinary actions:

- I. Written warning
- II. Suspension without salary
- III. Withholding of annual salary increment
- IV. Demotion
- V. Summary Dismissal
- VI. Lesser punishment other than I-V

For Business Partners, any breach of TM policies could result in the following punishment:

- I. Written warning
- II. Suspension
- III. Termination
- IV. Blacklist

05

DEALING WITH THIRD PARTIES

TM ANTI-CORRUPTION GUIDE

5. DEALING WITH THIRD PARTIES

5.1 THE GENERAL RULES

- TM requires all parties acting for or on its behalf to share the Company's values and ethical standards as their actions may implicate TM legally and tarnish TM's reputation.
- TM's dealings with third parties, which include its Business Partners, government intermediaries, introducers etc., must be carried out in compliance with all relevant laws and must be consistent with the values and principles of the CBE. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.
- When dealing with third parties, we must conduct appropriate counterparty due diligence to understand the business and background of TM's counterparties before entering into any arrangements to ensure that they subscribe to acceptable standards of integrity in the conduct of their business.

5.2 DEALING WITH PUBLIC OFFICIALS

- 'Public or government officials' include, without limitation to, candidates for public office, officials of any political party and officials of state-owned enterprises other than TM.
- Providing gifts, entertainment or corporate hospitality to public officials is generally considered a 'red flag' situation.
- If approval is obtained for you to provide gifts, entertainment or corporate hospitality to public officials, you must ensure that the gifts, entertainment or corporate hospitality is not excessive or lavish, and must commensurate with the official designation of the public official and not in his personal capacity.
- You must also be aware of local laws governing the activity and to ensure compliance.

TM ANTI-CORRUPTION GUIDE

5. DEALING WITH THIRD PARTIES

5.3 TM EMPLOYEES AS OFFICER OF A PUBLIC BODY

- Under the MACCA 2009, TM Management and Employees are deemed as officers of a public body because the Government has controlling power and/or interest over TM where TM's shares are directly or indirectly owned by the Government.
- To prevent violation of law and underscore our commitment to ethical behavior, you should always abide by TM's policies and provisions in relation to gifts, entertainment and corporate hospitality.
- You are strictly prohibited from accepting gifts, entertainment or corporate hospitality that are excessive, lavish, inappropriate, illegal, or given to influence a business decision or with an understanding that, in return, some desirable outcome may be expected.

TM ANTI-CORRUPTION GUIDE

5. DEALING WITH THIRD PARTIES

Do's & Don'ts with Dealing with Third Parties

DO's

- Choose TM Business Partners in accordance with the principles of competition i.e. on the basis of the price, quality, and suitability of their services.
- Immediately reject any attempt by TM Business Partners to dishonestly influence the placement of an order by offering or promising personal advantage.
- Undertake due diligence on potential TM Business Partners before engaging in business with them.
- Make known to TM Business Partners of any relevant TM Ethics and Integrity Policies.
- Express clearly in the contract of any fees or other compensation with respect to contractual service. The fees should be proportionate to the services provided.
- If you have any conflict of interest in a TM tender and you are in the evaluation or approval committee, you should immediately declare when you are aware of such conflict and physically abstain from any related discussions and meetings.

DON'Ts

- Make any attempt dishonestly influencing customer's decisions by offering or promising personal advantage.
- Exert improper influence on government officials or any third party doing business with TM.
- Directly or indirectly offer, make promise or corrupt payments, in cash or in kind to government officials, including of government-owned enterprises
- Engage in any entertainment, gift-giving, or similar exercise with any official or other person involved during tender process.
- Be involved in any discussions regarding business or employment opportunities, which could be for own personal benefit or for the benefit of any third party during an active or anticipated procurement activities involving TM.

TM ANTI-CORRUPTION GUIDE

5.4 RED FLAGS WHEN DEALING WITH THIRD PARTIES

1. Get promises of cash payments.
2. Pressure exerted for payments to be made urgently or ahead of schedule.
3. Payments are being made through a company in country 'B' though goods or services are supplied to different company in country 'A'.
4. Abnormally high commission percentage being paid to a particular agency. This may be divided into 2 accounts for the same agent, often in different jurisdictions.
5. Unsanctioned private meetings with public contractors or companies hoping to tender for contracts.
6. Lavish gifts being offered.
7. Individual that never takes time off even if ill, or during holidays, or insists on dealing with specific contractors him/herself.
8. Making unexpected or illogical decisions when accepting projects or contracts.
9. Unusually smooth process of cases where individual does not have the expected level of knowledge or expertise.
10. Abusing decision process or delegated powers in specific cases.
11. Agreeing to contracts not favorable to the organisation even though there are other favorable.
12. Unexplained preference for certain contractors during tendering period.
13. Avoidance of independent checks on tendering or contracting processes.
14. Raising barriers around specific roles or departments which are key in the tendering/contracting process.
15. Bypassing normal procurement process and procedure.
16. Invoices being agreed in excess of contract without reasonable cause.
17. Missing documents or records regarding meetings or decisions.
18. Company procedures or guidelines not being followed.
19. The payment of or making funds available for, high value expenses etc. on behalf of others.
20. Knowingly dealing with a customer or government official that has personal, business or family relationship with vendor.

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21. A customer or government official recommends or insists on the use of the transaction party.
22. Transaction party refuses to agree to anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information.
23. Transaction party has a poor business reputation or has faced allegations of bribes, kickbacks, fraud or other wrongdoing or has poor or non-existent third-party references.
24. Transaction party does not have office, staff, or qualifications adequate to perform the required services.
25. Expense or payment request is unusual, is not supported by adequate documentation, is unusually large or disproportionate to services to be rendered, does not match the terms of a governing agreement, or involves the use of cash or bearer instrument.
26. Expense or payment request is described as required to "get the business" or "make the necessary arrangements."

06 GIFTS

TM ANTI-CORRUPTION GUIDE

6. GIFTS

6.1 GENERAL PROVISION

- TM Board of Directors, Management, Employees, or person acting on behalf of the aforementioned and their family members are prohibited from, directly or indirectly:
 - I. **receiving/accepting gifts** from Business Partners or any third parties that have dealings with TM Group; or
 - II. **giving/offering gifts** to third parties that have business dealings with TM Group unless it is in accordance with the TM Premium Items Management Guidelines.
- TM Group adopts a “no-gift” policy to prevent bribery and corruption. We must comply with the Applicable Laws including but not limited to the MACCA 2009, which amongst others imposes strict and corporate liability against TM for corrupt practices of its Directors and/or Employees.

6.2 EXCEPTIONS TO THE GIFT POLICY

There are certain exceptions to the general rule where the provisions of gifts are permitted in the following situations:

- a) Exchange of gifts on a company-to-company level (e.g. gifts exchanged between companies as part of official company visit/courtesy call, and the gift is treated as a company asset).
- b) Gifts from company to external institutions or individuals in relation to the company’s official functions, events and celebrations (commemorative gifts or door gifts offered to all guests attending the event).
- c) Gifts from TM to Employees and Directors and/or their family members in relation to an internal or externally recognized Company function, event and celebration (e.g. in recognition of an Employee’s service).
- d) Token gifts of nominal value normally bearing TM company’s logo or that are given out equally to members of the public, delegates, customers, exhibitions, training, trade shows, etc. and deemed as part of the company’s brand building or promotional activities (e.g. t-shirts, pens, diaries, calendars and other small promotional items).
- e) Gifts to external parties who have no business dealings with TM (e.g. monetary gifts or gifts in kind to charitable organisations).

TM ANTI-CORRUPTION GUIDE

6. GIFTS

Do's and Don'ts With Regards To Gifts

DO's

- You must inform third parties involved in business dealing with TM on the Gift Policy and they must respect and adhere to the Company Policy
- For Corporate Gifts, please refer to TM Premium Items Management Guideline for more info

DON'Ts

Offer or accept the following:

- Cash as gift;
- Gifts that are intended as a bribe;
- Any gifts prohibited by the organisation for which the recipient of the offer works;
- Gifts in the form of services or other noncash benefits, such as the promise of employment;
- Gifts relating to some actual or anticipated business with the recipient, particularly in a competitive context;
- Any other gift where there is a risk or perception that it improperly influences or might be misconstrued as a reward, an inducement or other corrupt act;
- Any gift that the recipient is not entitled to receive under the laws of the recipient's country;
- Gifts that contravene any rules applying to the individual to whom the gift is offered (i.e. any policy that another organisation has in place) or any laws applying to that.
- Any gift where there have been any unjustifiable 'add-ons'.
- Provide gifts to the third parties on behalf of TM with intent to obtain or retain businesses

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ENTERTAINMENT &
CORPORATE
HOSPITALITY

TM ANTI-CORRUPTION GUIDE

7. ENTERTAINMENT & CORPORATE HOSPITALITY

Entertainment, corporate hospitality and travel expenses are considered as high-risk area for corruption. TM Board of Directors, Management and Employees must adhere to TM Policies and Guidelines governing the entertainment and corporate hospitality practice.

- 7.1. Any business travel related sponsorship by Business Partner are strictly not allowed unless the trip is stipulated, pre-agreed and detailed out in a contract between TM and the Business Partner.
- 7.2. The business travel needs must be spelled out in details for the purpose of fulfillment / deliverables of the contract and must have impact to the business including but not limited to Conference, Knowledge Transfer formal meeting, business fairs, site visits.
- 7.3. The travel related expenses must be in line with the employees eligible TNT claims.
- 7.4. Acceptance of entertainment and corporate hospitality must be transparent, proportionate, reasonable and bona fide.
- 7.5. TM prohibits any giving or receipt of entertainment, hospitality or other expenses that could influence, or be perceived to be capable of influencing, a business decision.

TM ANTI-CORRUPTION GUIDE

7. ENTERTAINMENT & CORPORATE HOSPITALITY

Do's & Don'ts with Regards to Entertainment & Corporate Hospitality

DO'S

- Have justifiable business purpose.
- Be given openly. You should never attempt to hide such activities or the circumstances surrounding the activities from anyone.
- To be exercised in good judgment in choosing entertainment that does not jeopardise the reputation or interests of TM, its employees or customers.
- Only be paid for those invitees whose participation is directly related to and necessary for TM's legitimate business purposes.
- In line with the guideline for entertainment allowance, entertainment may be allowed to customers, media partners, potential customers, potential investors and Government agencies through formal meetings, training, business fairs, site visits, sales activities, and marketing
- Get approval from HOD for:
 - a. Any hospitality or entertainment where there is potential conflict of interests.
 - b. Any hospitality or entertainment where there is any risk that it might be misconstrued as improperly influencing.

DON'TS

- Providing money to the invitees to make their own meal, entertainment or travel arrangements.
- Hospitality that is related to some actual or anticipated business with the recipient, particularly in a competitive context.
- There should be no add-ons to approved or permitted hospitality, such as inappropriate overnight accommodation, travel costs, or sundry or lavish expenses.
- No hospitality should be accepted or offered if it could be perceived to be lavish, improper, excessive or not in proportion to the recipient
- e.g. spa treatments, massages, liquor etc.
- Any hospitality that contravenes any rules applying to the individual to whom the hospitality is offered (i.e. any policy that another organisation has in place) or any laws applying to that other person.
- Officials to avoid the appearance that the activity was meant to obtain special treatment by someone in a position of public trust.
- No side trips unrelated to the promotion of TM's product or services, if travel is provided to counterparty or potential counterparty.

08

POLITICAL
CONTRIBUTIONS

TM ANTI-CORRUPTION GUIDE

8. POLITICAL CONTRIBUTIONS

- TM Group does not make or offer political contributions whether monetary or in-kind to political party officials or candidates for public office unless it is being approved by TM Board of Directors or TM GCEO. This provision is set out in Section 10.2 of the CBE.
- TM Board of Directors, Management and Employees may choose to make personal political contributions as appropriate within the limits established by local laws of their respective jurisdictions. However, TM Board of Directors, Management and Employees must make it clear that their political affiliations are those of their own.

Do's & Don'ts with Regards to Political Contributions

DO's

- Be aware and educate yourself with all applicable laws and regulations that may prohibit or restrict companies from getting involved in political activities, make political contributions or engage in lobbying activities.

DON'Ts

- Make a contribution to a political party or candidate on behalf of TM, or use Company funds for a donation or contribution to a political party or individual political campaign.
- Make payments, whether in cash or in-kind, to political parties, party officials or political candidates for the purpose of obtaining, retaining, or directing business to TM. In-kind contributions include participation in political campaigns during paid working hours and use of administrative support, company facilities, equipment, and supplies.

09

SPONSORSHIP AND
CHARITABLE
DONATIONS

TM ANTI-CORRUPTION GUIDE

9. SPONSORSHIP AND CHARITABLE DONATIONS

Requests for sponsorship and charitable donations can sometimes mask corrupt activity. No charitable donations should be made if these could be construed as improperly influencing another party with whom TM has a business relationship.

All sponsorships and charitable donations request must comply with the following criteria:

- Comply with TM Sponsorship Management Guidelines and TM Event Management Guidelines.
- Contributions are allowed by Applicable Laws.
- Obtain all necessary internal and external authorisations.
- Be made to establish entities having adequate organisational structures to guarantee proper administration of the funds.
- Accurately stated in the Company's accounting books and records.
- Not to be used as a mean to cover up an undue payment or bribery.

TM ANTI-CORRUPTION GUIDE

9. SPONSORSHIP AND CHARITABLE DONATIONS

Do's And Don'ts With Regards To Sponsorship And Charitable Donations

DO's

Sponsorship

You may need to check and ensure that a sponsorship should:

- Meet the criteria for the award of donations/ sponsorship and communicate the activities, as specifically indicated in the TM Communication Policy.
- Be objective and should not be based solely on personal preference of the company's directors, officers, and employees.
- Conduct due diligence, especially pertaining to the public activity and background of potential beneficiaries.

Charitable Donations

- Obtain authorisation from the Group Brand & Communication before committing any donation, contribution and sponsorship.
- All requests must go through Group Brand & Communication at Group Level and CEO at subsidiary level for evaluation and approval.
- All donations of any kind must be transparent.
- In any instance of charitable giving there must be an accurate receipt or letter of acknowledgement for any donation.

DON'Ts

- Make charity to win a business deal.
- Give money or donation to an individual.
- Using the name of a charitable organisation on the pretext to obtain sponsorship.
- Sponsorship with ulterior motive (hidden agenda), includes but not limited to:
 - I. contract renewal
 - II. obligation to continue business
 - III. favors, especially in tender exercise
 - IV. offers of gifts and valuable products
 - V. unusual price reduction of products and services, intentionally attributed to the sponsorship received/given
 - VI. other privileges accorded beyond the deliverables stated in the sponsorship request proposal document that may be perceived unfair by other organisations

10

MONEY-LAUNDERING

TM ANTI-CORRUPTION GUIDE

10. MONEY-LAUNDERING

Money laundering is a crime in origin where money or assets are hidden in legitimate business dealings or when legitimate funds are used to support criminal activities including the financing of terrorism.

Impacts:

- I. Serious crimes and the laws governing these types of crimes have extra territorial effect i.e. the application of law can extend beyond local borders.
- II. The penalty for breaching anti-money laundering law is severe and can include extradition and incarceration in foreign jurisdictions.

Illustrations:

A customer indicates that he intends to overpay TM on an invoice and requests that the extra money to be wired to his accounts.

Penalties and punishments:

If convicted, a person can be liable to a fine not exceeding five million ringgit, or to imprisonment for a term not exceeding five years or both.

11

APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

TM ANTI-CORRUPTION GUIDE

11. APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

All persons involved in sourcing process (example Tender, Quotation) shall be required to observe high ethical standard, conduct and self-integrity. This is important to uphold the Company's reputation and ensuring the sourcing process is conducted in a fair and ethical manner with proper governance and transparency in place. This Do's and Don'ts, to the extent of its applicability, shall be relevant to Employees as well as Business Partners during the sourcing process, to eradicate potential unethical conducts which may lead to corruption.

TM ANTI-CORRUPTION GUIDE

11. APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct During Procurement Activities

For TM Business Partner

DO'S

- Keep confidentiality of all proprietary information and documentations related to tender and/ or contract.
- Abide by TM's Code of Business Ethics, Procurement Ethics and any other TM policies and procedures applicable during the tender/ quotation process and/ or the execution of a formal agreement and its implementation.
- Honour the submitted proposal to TM and not changing or make any attempt to change the submitted proposal or to impose additional terms after the submission.
- Ensure the statement made in the submission is correct with no intention to manipulate it after the award.
- Ensure that, by submitting the proposal, they actually have an intention to enter into the contract if awarded by TM.
- Abide with the Terms and Conditions as stipulated in tender documents and uphold clauses in the Integrity Agreement with TM.

TM ANTI-CORRUPTION GUIDE

11. APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct During Procurement Activities

For TM Business Partner

DON'Ts

- Offer or make any gift, payment, loan, reward, inducement or benefit which can lead to bribery of any of TM's Employees, members of the Board of Directors, agents and representative.
- Collude with any bidders, suppliers or individuals.
- Canvassing, lobbying or making public advertisement of the offered Equipment/Services or part thereof by the Tenderer, his employee, agents or any other person(s) instructed by the Tenderer to influence the decision of the Tender Board or Board of Directors of TM or TM's Management or any persons involved.
- Make false or misleading claims or statements, or request assistance from TM's personnel in the preparation of his Proposal.
- Change the proposal submitted after the submission without TM approval.
- Make any attempt to influence TM Employees during tender evaluation process.
- Divulge or disclose any information, oral or written, to a third party without the prior written approval of TM.
- Seek any type of information in any form whatsoever from TM or TM Employees in relation to the tender process and its outcomes beyond any information formally communicated by TM representatives through the Tender document, Tender briefings, Tender clarifications and negotiations.
- Refuse to sign and fail to execute the formal Contract or to fully comply with all the conditions precedent to an award in accordance with the Conditions of Tendering and the Terms and Conditions of Agreement within the period stipulated therein, or fails to proceed with the Works after the whole or part of his Tender has been accepted.
- Imposed additional terms, conditions or stipulations after the closing date fixed for the submission of the Tender.
- Withdraws the whole or part of his Tender before the expiry of the Tender Validity Period or any extended period thereof and when a decision has been made.

TM ANTI-CORRUPTION GUIDE

11. APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct During Procurement Activities

For TM Employees

DO's

- Observe confidentiality of all proprietary information and documentation relating to the tender and/or contract in strictest confidence.
- Report to TM's Management or relevant authority in the event that there are any bidders or suppliers who offer, give, agree or promise to give any money, goods or services or any form of gratification.
- Abide with TM's Code of Business Ethics, Procurement Ethics and any other TM policies applicable during the sourcing process.
- Ensure that the information shared with Business Partners are limited to information which is usually shared during briefing, clarification or negotiation.
- Ensure that the Business Partners are chosen based on merit and to avoid conflicts of interest, inappropriate gifts and entertainment or any other kind of favoritism that might compromise the selection process.
- Seek to conduct business dealings with Business Partners who have complied with TM's requirements and who act in a manner that is consistent with TM's commitment to comply with the ethics as outlined in this Procurement Ethics.
- Declare if there are any relatives and related parties who have participated in specific sourcing activities and self-abstain from participating in the particular tender or quotation evaluation committee and further proceed to leave the meeting room after declaring your interest.

TM ANTI-CORRUPTION GUIDE

11. APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct During Procurement Activities

For TM Employees

DON'Ts

- Receive or obtain or agree to receive or obtain goods or services or gratification as a consideration or reward for the decision, opinion, recommendation, vote or other favors to be selected in the aforementioned tender/quotation.
- Accept kickback/commission: payment received in return for influence or control over a business transaction or guarantee of contract award.
- Give or share one supplier's confidential business information (proposed rates, winning bid information, etc.) to other suppliers.
- Acknowledge Business Partners' act or attempt in influencing or giving priority to their proposal compared to others.

What to do?

If you face any of the situations which should be avoided as above, it is your responsibility to escalate to TM Ethics Line

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HIRING/RECRUITMENT

TM ANTI-CORRUPTION GUIDE

12. HIRING/RECRUITMENT

- For new hiring, GHCM may need to conduct background check of the new personnel for any corruption charge or violations.
- A public official or third party may attempt to influence the hiring process by asking TM Board of Directors, Management or Employees to help find a job for a relative or friend or may seek employment by promising or giving improper benefits. Such actions should be disclosed immediately to the appropriate person within the company (e.g. General Manager, HR manager).

13

RECORD KEEPING

TM ANTI-CORRUPTION GUIDE

13.RECORD KEEPING

- As a Company, we must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to any Business Partners (such as anyone who provides services for or on our behalf).
- You must ensure all expenses claims relating to hospitality, gifts or expenses incurred for Business Partners are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- All accounts, invoices and other records relating to dealings with Business Partners should be prepared and maintained accurately and with completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

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WHISTLE-BLOWING & REPORTING

TM ANTI-CORRUPTION GUIDE

14. WHISTLE-BLOWING POLICY & REPORTING

- Supporting TM zero-tolerance policy against all forms of corruption means TM expects the Board of Directors, Management, Employees and Business Partners to comply with this policy as stated in CBE.
- If we have reasonable grounds to believe that an offence could have been committed, TM may accept anonymous disclosure for investigation.
- It is the duty of Board of Directors, Management, Employees and Business Partners to report immediately any concerns about corruption that they encountered to the following channels:

TM Ethics Line

Toll Free Number: 1-800-88-2377 (Malaysia Only)

Email: ethic@tm.com.my

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GUIDING PRINCIPLES TO MINIMISE THE
RISK OF CORRUPTION OFFENCES

TM ANTI-CORRUPTION GUIDE

15. GUIDING PRINCIPLES TO MINIMISE THE RISK OF CORRUPTION OFFENCES

General Principle: TM Board of Directors, Management, Employees and Business Partners are required to comply with all Applicable Laws and TM's policies and regulations.

1. Do not make any oral or written statement which you believe is or might be untrue or misleading. For example, only submit or approve claims and supporting documents that you honestly believe are true, and do not make or submit false, inaccurate, misleading or exaggerated records, invoices, claims, applications for variations or extensions of time, or requests for payment.
2. Do not dishonestly withhold information. For example, if you are aware that TM was responsible for part of the delay on a project, then this should be disclosed in any related claim made by TM.
3. Do not dishonestly provide, conceal, or approve work, materials, equipment or services which are not of the quality and quantity required under any contract. For example, if you are the project manager which has carried out defective works, then you should ensure that this is disclosed to the client.
4. Do not dishonestly refuse or fail to comply with your obligations. For example, do not dishonestly refuse to approve or willfully delay the approving of work, materials, equipment, services, invoices, claims, applications for variations or extensions of time, or requests for payment. Similarly, do not dishonestly refuse to pay or willfully delay the payment of sums which are due.
5. Do not become involved in any activity which you believe will or might involve dishonesty. For example, only be a party to a joint venture where you believe all parties intend to act honestly.
6. Do not comply with any instruction to act dishonestly or which may require you to act dishonestly. For example, refuse any instruction to inflate a claim fraudulently, or to meet a profit target which you know could only be done by dishonest means.
7. Do not instruct any other person to act dishonestly. For example, do not give instructions that a contract must be won by whatever method is necessary, thereby implying that dishonest means are acceptable.

TM ANTI-CORRUPTION GUIDE

8. Do not instruct any other person to act in such a way as might lead to dishonesty. For example, do not impose unrealistic deadlines or targets on your employees or offer them commissions which you know will or might pressure or incentivise them to act dishonestly in order to meet the deadlines or targets, or earn the commissions.
9. Do not attempt to win contracts, or have claims or payments approved by any means other than the proper official and legitimate means. For example, if a project engineer is refusing to certify a payment due to TM unless he is paid a large bribe, do not comply with this demand.
10. Do not give or receive gifts, payments or other advantages. For example, do not invite officers of potential clients to entertainment events with the intention of influencing them to award TM a contract.
11. If you are a Board of Director or Management should make proper enquiries regarding any suspicion of corruption and you should take reasonable preventive measures to stop corruption for which TM may be liable. You should not instruct, authorise or condone, expressly or impliedly, any corrupt activity. For example, if you are a sales manager and are aware that your sales representatives are making dishonest representations to potential clients and/or are paying bribes to win contracts, then you should report to TM Ethics Line.

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FREQUENTLY ASKED-
QUESTIONS

TM ANTI-CORRUPTION GUIDE

16. FREQUENTLY ASKED-QUESTIONS

1. What are the offences under CBE and this Guide?

ANSWER:

The offences include but not limited to:

- i. Bribery (Giving & Receiving Bribe)
- ii. Collusion / Bid-Rigging
- iii. Abuse of Power/Position
- iv. Embezzlement
- v. False Claim
- vi. Unauthorised Disclosure (Leakages of Confidential Information)
- vii. Conflict of Interest

2. What types of transaction are prohibited?

ANSWER:

Prohibited transactions include payment (cash/otherwise) to any individual or organisation for a corrupt purpose to obtain or retain improper business advantage in line with Section 17A of MACCA 2009 Corporate Liability

3. Are facilitation or "grease" payments permitted?

ANSWER:

TM strictly prohibits any form of facilitation payments

4. Is TM considered as a public body and why?

ANSWER:

Under the MACCA 2009, TM is deemed as a public body because the Government has controlling power and/or interest over TM where TM's share or equity are directly or indirectly owned by the Government

TM ANTI-CORRUPTION GUIDE

5. Is TM liable for the acts of corrupt practice by its Associated Person?

ANSWER:

Under the Section 17A of MACCA 2009, TM as a commercial organisation may be liable if its Associated Person corruptly gives, agrees to give, promises or offers to any person any gratifications whether for the benefits of that person or another person with intent to obtain or retain business or advantage in the conduct of TM's business. Associated Person would include TM Board of Directors, Management, Employees and any parties who perform services for or on behalf of TM.

6. Is it allowable for TM to transact business with government entities?

ANSWER:

Yes, MACCA 2009 does not prevent TM from engaging in legitimate business transactions with government entities, such as contracting for the delivery of various goods and services.

7. What happens if a TM Employee violates the MACCA 2009, or AMLA 2001?

ANSWER:

The Employee involved in the violation of any of the Acts, if convicted may be liable for fine and imprisonment. TM will not pay (or reimburse) the Employee for the fine or legal fee incurred in defending against the charges. The Employee will also be subjected to disciplinary action including possible termination.

If the violation is in relation to the Corporate Liability provision, TM will also be liable for the violation by the Employee in accordance with the Section 17A of MACCA 2009.

TM ANTI-CORRUPTION GUIDE

8. Unless I pay a small bribe to local permitting official, our project will be late and we will miss our budget commitment. Is it justified to pay a small bribe? What if the bribe is called a 'tip' or a 'commission' – does this make it okay?

ANSWER:

No. Bribery is not acceptable, no matter how small the amount is. And it does not matter what the payment is called. If we, offer, promise or pay anything of value to an official with the intent to influence that official's decision making, it is a bribe and clearly illegal. Such act is in violation of the MACCA 2009 and CBE and this Guide. Such payment could cost TM millions in fines, penalties, disgorgement of profit and legal fees. If you practice bribery, you will probably lose your job. You could also be facing severe civil and criminal penalties, which include imprisonment. By avoiding a bribe, you may miss your budget commitment but you will maintain yours and TMs integrity and reputation. Most importantly, 'such act if committed, is clearly an offence of corporate liability under Section 17A of MACCA 2009

9. I received a report / complaint from an industry player that TM's registered contractor has been bribing a government official. What should I do?

ANSWER:

If credible information suggesting facts of this nature is received, you must channel this to Group Integrity & Governance for further action. Under this scenario, TM may need to investigate or evaluate to ascertain the allegation.

10. May I ignore illegal practices by Business Partner?

QUESTION: My Business Partner's representative is always 'wining and dining' prospective clients. The representative never asks me to get involved and says it is normal in their company to reward their supportive client employee. What should I do?

ANSWER:

You should not ignore this behavior. If TM deliberately ignores the behavior of its Business Partner and fails to investigate the possibility that corruption has occurred or will occur, it may put TM at risk of Corporate Liability pursuant to Section 17A of MACCA 2009.

TM ANTI-CORRUPTION GUIDE

11. Who are covered under TM Ethics & Integrity Policies?

ANSWER:

TM Board of Directors, Management, Employees and Business Partners. Please refer to CBE for further clarification on the definition of Employees and Business Partners.

12. What should I do if my boss asks me to do something that I believe will violate TM policies. Where should I channel my concern?

ANSWER:

Immediately report the situation via TM Ethics Line or you may consult Group Integrity & Governance. Refer to Provision 14 of CBE: Whistle Blowing Policy.

13. What if there is a conflict between TM policies and the local laws?

ANSWER:

TM internal policies will always be consistent with the law of the country. However, if there is inconsistency in any way whatsoever, the law of the country shall prevail.

14. Does TM policy allow me to receive hampers from my long-term customer?

ANSWER:

No. TM prohibits its Board of Directors, Management and Employees from directly or indirectly received gifts from Business Partners or third parties that have dealings with TM. Refer to Provision 12 of CBE.

15. Can we request for any entertainment or hospitality from the Business Partners?

ANSWER:

We are not allowed to request or demand from Business Partners for any entertainment or hospitality including invitations to events, meals, presents, personal services or any favours.

TM ANTI-CORRUPTION GUIDE

16. A contractor offered me an airline ticket to travel with him to Japan. May I accept the ticket?

ANSWER:

No, you cannot accept the ticket. TM will only allow business travel which has been stipulated, pre-agreed and detailed out in a contract with the Business Partner.

17. My team have been invited to a factory visit as part of the contract executed with the supplier. However, the supplier is also offering to extend our stay by one day (at the supplier's cost) and treat the team for a round of golf. Should I approve the trip?

ANSWER:

You should only approve the trip in relation to the business related expenses as specified in the contract. There should not be any add-ons to approve or permitted hospitality such as the extended stay or travel costs or lavish expenses.

18. Is receiving sponsorship from Business Partner for division's annual dinner considered as unethical? This has been a common practice in the past?

ANSWER:

Yes, it is unethical and the practice must be stopped. TM Board of Directors, Management and Employees are not allowed to receive or demand any favor from the Business Partners to avoid any actual or potential conflict of interest.

19. My Unit has an on-going contract which is expiring soon with the Customer and its Head of Division has requested me to buy the latest android hand phone to secure the extension of the contract. Should I entertain such request?

ANSWER:

No, you should not as it contravenes the MACCA 2009. Such an act is seen as giving bribe to influence their decision making process in extending our contract.

TM ANTI-CORRUPTION GUIDE

20. Am I allowed to take a key customer or supplier for lunch to discuss about business opportunities?

ANSWER:

Yes, if the lunch has justifiable business purpose and the cost of the lunch is reasonable and with the approval of your superior. This must be in line with Entertainment Allowance Reimbursement Policy and must not contravene any rules of the company

21. I attended a seminar organised by one of our customers and every participant were given door gifts i.e. t-shirt and organizer bearing the company's logo? Am I allowed to accept the door gifts?

ANSWER:

Gifts from the company such as door gifts of nominal value is permissible provided it is given out equally to all attendees of the seminar. Such gifts is deemed as part of the company's brand building or promotional activities.

22. Can we give gifts to government officers during festive season?

ANSWER:

No. Our Gift Policy strictly prohibits the giving of gift to third parties that have dealings with TM, including to the government officers.

23. I am a Project Manager for an infrastructure project involving Ministry A. The Ministry A's Audit Team was assigned to verify the works completed for the infrastructure project prior to payment which no payment shall be made unless and until the verification process is completed. I took initiative to arrange for lodging and meals for the Audit's Team throughout the auditing period despite no allocation for such expenses in the Contract between TM and the Ministry A. Am I doing the right thing?

ANSWER:

No you are not. Entertaining public officials that have business relationship with TM with intention to influence the decision or expecting favor in return, may be regarded as bribe.

TM ANTI-CORRUPTION GUIDE

24. My department is organizing a family day and we would like to request for sponsorship from Business Partners?

ANSWER:

In accordance to Provision 12 of CBE - Understanding The Rules About Gifts, Entertainment & Corporate Hospitality, we or our family are prohibited from directly or indirectly soliciting, requesting, receiving gifts (cash or otherwise) from Business Partners or any third parties that have dealing with TM.

25. I came to know that one of my Business Partners who has secured a project with TM is not delivering its work in accordance with the jobs requirements. The Business Partner even submitted claims for job not done. What should I do?

ANSWER:

You should immediately lodge a report via TM Ethics Lines at 1-800-88-2377 or ethic@tm.com.my because such unethical behavior is considered as false claim, which is an offence under Section 18 of the MACCA 2009. TM may consider to report to the relevant authority and also to take internal action against the said Business Partner if we have sufficient grounds to believe that such unethical behavior has been committed by them.

26. I came to know that one of my Business Partners collude with other bidders in one of TM's tender project. What should I do?

ANSWER:

You should lodge a report to TM Ethics Lines at 1800-88-2377 or ethic@tm.com.my. This is considered as bid-rigging and it is an offence under Malaysian Competition Act 2010. Action may also be taken against the Business Partners involved.

27. One of my colleagues disclosed TM's confidential information and data to our competitor for personal gain and interest. Is it acceptable?

ANSWER:

Your colleague has acted in contravening the Provisions 10 of the CBE, Unauthorised Disclosure of Confidential Information (Leakage of information). He/She may face a disciplinary action for such disclosure of TM's confidential data. related offences. Disciplinary action can be taken against the said employee.

TM ANTI-CORRUPTION GUIDE

28. I received a bank guarantee from Business Partner and I suspect that the document was forged. Is this an offence and what should I do?

ANSWER:

If you have sufficient grounds to believe that the Business Partner has forged the bank guarantee, you are advised to lodge a report to TM Ethics line. Forgery is an offence under Section 463 of Penal Code where the law states that "*Whoever makes any false document or part of a document with intent to cause damage or injury to the public or to any person, or to support any claim or title, or to cause any person to part with property, or to enter into any express or implied contract, or with intent to commit fraud or that fraud may be committed, commits forgery*". If such allegation is proven, action may be taken against the Business Partners for such irresponsible act.

29. A General Manager in my department has facilitated his daughter to be employed by one of TM's Business Partners that he has frequent dealings with. Is this ethically right?

ANSWER:

This is an abuse of power on the part of the General Manager and it is an offence under Section 23 of MACCA. Abuse of power/position takes place when a person who is a member of a public or government body uses his position or the office in making a decision or taking action for the benefit of himself, his relative or associate. Such act is also against the CBE and this Guide.

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