

ADEQUATE PROCEDURES TO COMBAT CORRUPTION: T. R. U. S. T.

TEKNOS (M) SDN. BHD.

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TABLE OF CONTENTS

PRINCIPLE I: TOP LEVEL COMMITMENT	3
1.1 Managing Director’s Statement	3
PRINCIPLE II: RISK ASSESSMENT	4
2.1 Corruption Risk Assessment Process	4
Objectives	4
Approach.....	4
CRA Process.....	4
2.2 Corruption Risk Assessment Methodology.....	5
1. Initiation and management	5
2. Identify and record corruption risks.....	5
3: Populate Risk Matrix.....	5
4. Present Results to Top Management, Review and Finalise	5
PRINCIPLE III: UNDERTAKE CONTROL MEASURES	6
3.1 Anti-Bribery and Corruption Policy.....	6
3.1.1 TEKNOS (M) SDN. BHD.’s Anti-Bribery and Corruption Policy.....	6
3.1.2 Audit and Compliance	6
3.1.3 Sanctions for Non-Compliance	6
3.1.4 Monitoring and Continuous Improvement	7
3.2 Due Diligence.....	7
3.2.1 Introduction.....	7
3.2.2 Due diligence approach	7
3.2.3 Due diligence process	8
3.3 Reporting Concerns (Whistleblowing).....	9
3.3.1 Whistleblowing Policy	9
3.4 Policy on Conflicts of Interest	11
3.4.1 Definition of “Conflicts of Interest”	11
3.4.2 Conflicts of Interest Policy	11
3.5 Policy and procedures for Gifts, Entertainment, Hospitality and Travel.....	12
3.5.1 Anti-bribery and corruption commitment	12
3.5.2 Receiving Gifts	12
3.5.3 Giving gifts.....	13
3.5.4 Giving and receiving hospitality	13
3.5.5 Government Officials	13
3.5.6 Violations.....	13
3.6 Policy on Donations, Sponsorships and Political Donations	14
3.7 Policy on Facilitation Payments.....	14
3.8 Policy on Financial Controls	14
3.9 Policy on Non-Financial Controls.....	15
3.10 Policy for Document Control and Record Keeping.....	15
PRINCIPLE IV: SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT	16
4.1 Policy and procedures on Monitoring, Reviewing and Enforcing the Anti-Corruption Initiatives	16
PRINCIPLE V: TRAINING AND COMMUNICATION	17
5.1 Communications Policy.....	17
5.2 Training Policy	17

PRINCIPLE I: TOP LEVEL COMMITMENT

1.1 Managing Director's Statement

A. Commitment

The Managing Director takes the primary responsibility for the establishment and effectiveness of the anti-corruption programme. As per section 4.1.3 of the GIACC *Guidelines on Adequate Procedures*, this means TEKNOS (M) SDN. BHD.:

1. Practices the highest level of integrity and ethics
2. Complies fully with the applicable laws and regulatory requirements on anticorruption
3. Effectively manages the key corruption risks of TEKNOS (M) SDN. BHD.

B. Requirement

In order to achieve this goal, the Managing Director requires that TEKNOS (M) SDN. BHD.:

1. Establishes, maintains and periodically reviews the anticorruption compliance program which includes clear policies and objectives that adequately address corruption risks;
2. Promotes a culture of integrity within the organisation;
3. Conducts corruption risk assessments at least once every two (2) years or when instructed by the Managing Director
4. Issues instructions on communicating TEKNOS (M) SDN. BHD.'s policies and commitments to anticorruption both internally and externally;
5. Encourages the use of reporting/whistleblowing channels in relation to real or suspected corruption incidences, or inadequacies in the anticorruption compliance program;
6. Assigns and adequately resources a competent person to be responsible for anticorruption compliance, including advice and guidance;
7. Ensures that the lines of authority for the person responsible for the programme are appropriate, reporting to the top management/business owner or equivalent;
8. Ensures that the results of any audit, review on risk assessment, control measures and performance are reported to the top management/business owner or equivalent, TEKNOS directors and relevant management.
9. Ensures additionally that the latest [TEKNOS Code of Conduct](#) is communicated, adhered and periodically refreshed to all new and existing employees and with particular reference to Point 6.2 *Anti-bribery and gifts*.

The memo issued by the Managing Director on **1 March 2021** establishes the top-level commitment of TEKNOS (M) SDN. BHD. in the area of anti-corruption.

PRINCIPLE II: RISK ASSESSMENT

2.1 Corruption Risk Assessment Process

Objectives

The objectives of the corruption risk assessment are:

- To identify, measure and rank critical corruption risks in TEKNOS (M) SDN. BHD. that has the potential influence over the overall operations and management of TEKNOS (M) SDN. BHD. using a structured approach in line with the size of TEKNOS (M) SDN. BHD.
- Discuss high-level corruption prevention solutions and implementation plans.

Approach

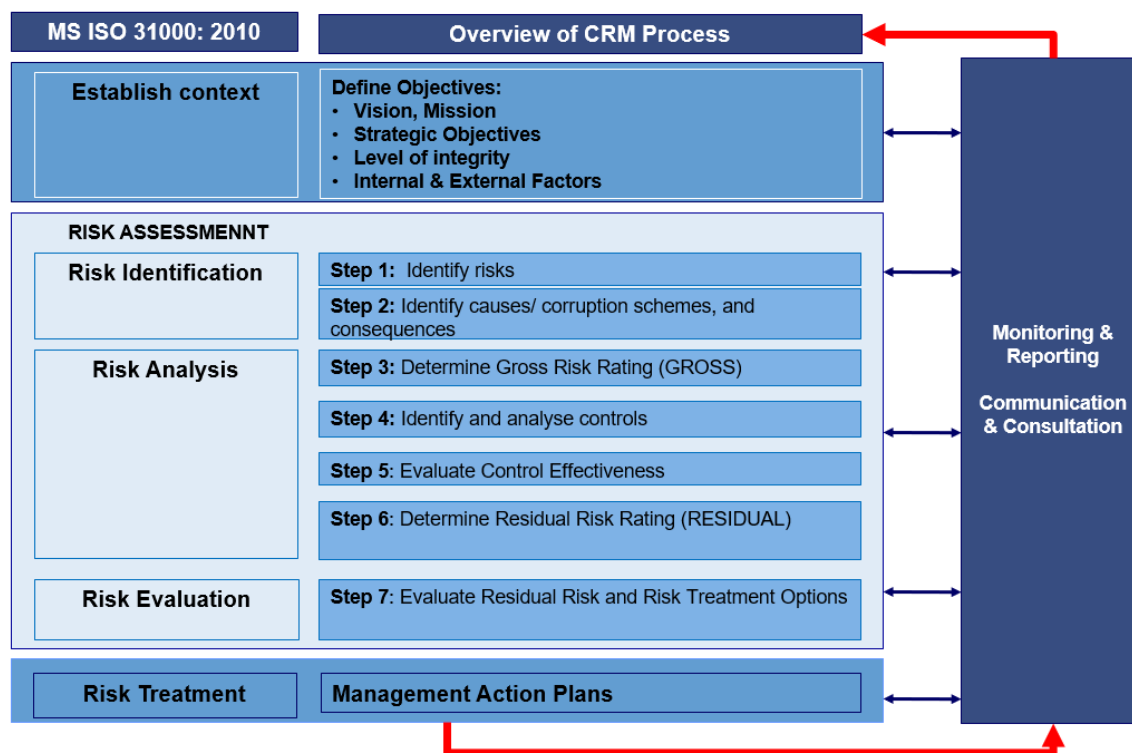
The Corruption Risk Assessment (CRA) forms the basis of the anti-corruption programme. Assessments are to be conducted periodically, at least once every two (2) years.

Assessments are to include:

- Opportunities for corruption arising from system weaknesses
- Financial transactions which may disguise corruption payments
- High-risk business activities
- External parties (business associates / agents) where corruption is likely to be present
- Supply chain corruption opportunities (inbound and outbound)

CRA Process

The process below is used by TEKNOS (M) SDN. BHD. to conduct its corruption risk assessment:



2.2 Corruption Risk Assessment Methodology

1. Initiation and management

The corruption risk assessment is initiated by the Managing Director and in accordance with the Group's Integrated Management System (IMS) guidelines. The exercise is managed by the Finance Director.

2. Identify and record corruption risks

Using the *Corruption Risk Assessment* template, the main areas of corruption risk carried by the business are identified and details recorded.

For each corruption risk identified, the mitigating controls are logged. An estimate is then made on the effectiveness of the controls, which in turn is used to estimate the nett risk rating. From this, the risk treatment can be identified, along with the action plan.

3: Populate Risk Matrix

Using the nett risk rating, the corruption risks identified are placed on the risk matrix to show the exposure of TEKNOS (M) SDN. BHD. to corruption risk.

Risk matrix: 5x5

Almost certain	M	H	H	VH	VH
Likely	M	M	H	H	VH
Possible	L	L	M	H	H
Unlikely	VL	VL	L	M	H
Rare	VL	VL	L	M	H
	Insignificant	Minor	Moderate	Major	Catastrophic

Rating Legend:-	
VH	Very High Risk
H	High Risk
M	Medium Risk
L	Low Risk
VL	Very Low Risk

4. Present Results to Top Management, Review and Finalise

The completed corruption risk templates and risk map are presented to the top management to confirm the data and action plans. Responsibilities for carrying out the action plan are then allocated to the relevant members of TEKNOS (M) SDN. BHD. The results of the corruption risk assessment are also reported to the directors of TEKNOS (M) SDN. BHD., including the action plan.

The Managing Director instructs the corruption risk assessment to be refreshed periodically, with the results reported to the top management and directors.

The results of the corruption risk assessment are included in the company's Management Teams folder.

PRINCIPLE III: UNDERTAKE CONTROL MEASURES

3.1 Anti-Bribery and Corruption Policy

3.1.1 TEKNOS (M) SDN. BHD.'s Anti-Bribery and Corruption Policy

- a) TEKNOS (M) SDN. BHD.'s policy is that bribery and corruption in all its forms as it relates to TEKNOS (M) SDN. BHD.'s activities is prohibited.
- b) Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. TEKNOS Personnel and its business associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of TEKNOS (M) SDN. BHD. or the persons involved in the transaction.
- c) The anti-bribery and corruption policy applies equally to its business dealings with commercial ('private sector') and Government ('public sector') entities. Even the possible appearance of bribery and corruption is to be avoided, in particular when dealing with Government officials.
- d) TEKNOS (M) SDN. BHD. is committed to conducting its business ethically and in compliance with all applicable anti-bribery and corruption laws and regulations in every country where we do business. The anti-bribery and corruption policy therefore applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- e) TEKNOS (M) SDN. BHD. shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.
- f) No Personnel or external party will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes, or participate in other illicit behaviour, even if such refusal may result in TEKNOS (M) SDN. BHD. losing business or experiencing a delay in operations.
- g) Personnel who, in the course of their activities relating to their employment at TEKNOS (M) SDN. BHD. encounter actual or suspected violations of this policy are required to report their concerns using the available reporting channels. Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- h) Retaliation in any form against Personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any TEKNOS Personnel found to have deliberately acted against the interests of any person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which TEKNOS (M) SDN. BHD. may pursue. The same policy applies to external parties who have reported a violation or possible violation of this policy.

3.1.2 Audit and Compliance

Regular audits shall be conducted to ensure compliance to this policy. Such audits may be conducted internally by TEKNOS (M) SDN. BHD. or by an external party. Audit documentation should include performance improvement action plans. The results of audits shall be reported to the top management/business owner, directors and senior management as appropriate.

3.1.3 Sanctions for Non-Compliance

- a) Non-compliance as identified by the audit and any risk areas identified through this and other means shall be reported to the top management and/or business owner in a timely manner in accordance with the level of risk identified.

- b) TEKNOS (M) SDN. BHD. regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.
- c) For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that TEKNOS (M) SDN. BHD.'s interests have been harmed by the results on non-compliance by individuals and organisations.

3.1.4 Monitoring and Continuous Improvement

- a) TEKNOS (M) SDN. BHD. is committed to continuously improve the operations and effectiveness of its anti-bribery and anti-corruption initiatives.
- b) TEKNOS (M) SDN. BHD. shall monitor its operating environment, identify changes in corruption risk, and seek opportunities for improving the anti-corruption initiatives.
- c) The top management/business owner shall ensure regular assessments of the anti-corruption initiatives are carried out, to ensure its scope, policies, procedures and controls match the bribery and corruption related risks faced by TEKNOS (M) SDN. BHD.
- d) TEKNOS (M) SDN. BHD. endeavours to impact the business environment where it operates. This includes supporting initiatives in the private and public sectors which are likely to improve the integrity of its operating environment.

3.2 Due Diligence

3.2.1 Introduction

The essential requirement of due diligence is to know one's partner when working with business associates to achieve the necessary deliverables. Due diligence is conducted in order to assess the nature and extent of corruption risks relating to planned or on-going relationships with specific categories of business associates; or specific categories of Personnel in certain positions.

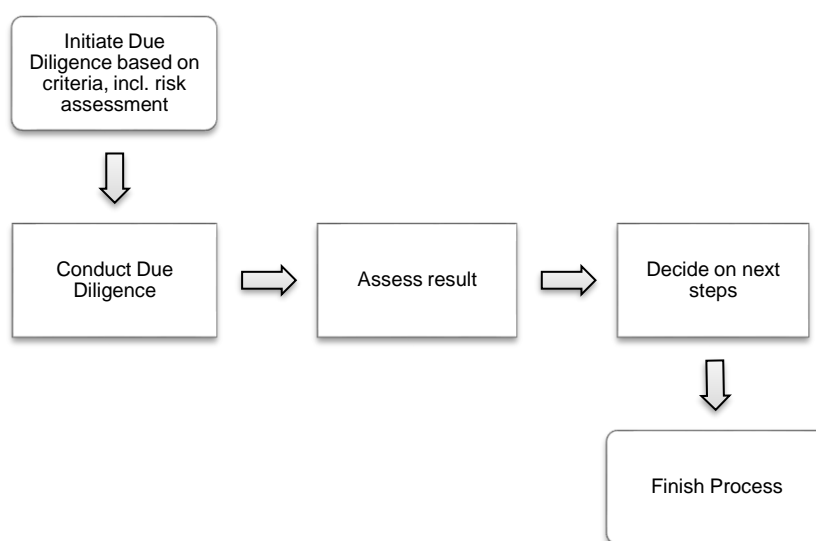
3.2.2 Due diligence approach

- a) The due diligence process should be aimed at obtaining sufficient information in order to assess the corruption risks posed by certain activities/projects/transactions, business associates or potential Personnel where a **more than minor corruption risk has been identified**.
- b) In relation to organisations, there are certain factors that may be taken into consideration by TEKNOS (M) SDN. BHD., such as:
 - i. The legitimacy of a business associate, as demonstrated by indicators such as Corporate registration documents (Form 9/13, SSM corporate profile) or audited annual financial statements;
 - ii. The identity of shareholders and top management of the business associates, and whether they have a reputation for bribery and corruption, fraud, dishonesty, or similar misconduct;
 - iii. Have been investigated, convicted, sanctioned or debarred for bribery or similar criminal conduct.
- c) With regards to Personnel, due diligence should be conducted to:
 - i. Verify the accuracy of a prospective Personnel's qualifications;
 - ii. Obtaining satisfactory references from a prospective Personnel's former employers;
 - iii. Taking reasonable steps to ascertain if prospective Personnel have been involved in bribery and corruption by for example checking with the prospective Personnel's former place of employment or conducting a basic Web search.

- d) Though there is no one methodology for carrying out a due diligence check, generally speaking, the process is as such:
- i. Identify the party that will undergo a due diligence check;
 - ii. Conduct the check;
 - iii. Use the results to decide on next steps: continue / stop / put on hold pending further investigation
- e) The results of the due diligence checks should be documented and retained for the duration of the relationship.

3.2.3 Due diligence process

Basic flow chart:



Business associates:

- a) The criteria for conducting due diligence on business associates based on corruption risk includes:
- Bidding for a major project (>€50,000 as per prevailing Teknos Approval Policy and Teknos Management Model);
 - To be employed as an agent or intermediary when dealing with government departments or officials;
 - Where a senior manager considers due diligence to be to TEKNOS (M) SDN. BHD.'s advantage.
- b) Due diligence will be conducted using the following, but not limited to these methods:
- Google search using the name of the business associate + e.g. 'corruption'
 - Check that the business associate is legally compliant e.g. using SSM database
 - (Others)
- c) Senior manager to assess results and make decision:
- i. Continue with appointment
 - ii. Cease appointment
 - iii. Terminate relationship
 - iv. Obtain further information

- d) Determine next steps and relevant parties:
- Procurement / legal advisor / DD service provider

Prospective/existing Personnel:

- a) The criteria for conducting due diligence on Personnel based on corruption risk includes:
- i. All Personnel when joining TEKNOS (M) SDN. BHD.
 - ii. When appointed / promoted to any management position (including when already in management)
 - iii. When appointed to a position which involves working with external parties (vendor/supplier/contractor; government agencies; clients/customers)
 - iv. Where a senior manager considers due diligence to be to TEKNOS (M) SDN. BHD.'s advantage
- b) Due diligence will be conducted using the following, but not limited to these methods:
- i. Google search using the name of the person
 - ii. PDRM and MACC databases
 - iii. (Others)
- c) Senior manager to assess results and make decision:
- i. Continue with appointment
 - ii. Cease appointment
 - iii. Terminate employment
 - iv. Obtain further information
- d) Determine next steps and relevant parties:
- HR / MD / Department Manager

3.3 Reporting Concerns (Whistleblowing)

3.3.1 Whistleblowing Policy

- a) Reporting and Investigation
- i. TEKNOS (M) SDN. BHD. requires all Personnel to report matters of **serious misconduct** as soon as they become aware of it.
 - ii. Reports should be made to the Code of Conduct Committee. The Committee consists of the CEO, the Chief Human Resource Officer and the Group Communications Manager and can be reached via ccc@teknos.com.
 - iii. Issues raised will be treated confidentially, as far as possible. In a case where anonymity cannot be granted, the Code of Conduct Committee / line manager will discuss with the person who reported the breach before moving forward. Serious violations of the guidelines may lead to termination of contract.
 - iv. TEKNOS (M) SDN. BHD. shall protect the information disclosed in whistleblowing reports by all means possible. Only the Code of Conduct Committee shall have access to the original report and identity of the whistle blower.
 - v. If there is sufficient evidence that a corruption incident has occurred and contact details are provided, the discloser may be advised to report the incident directly to the MACC to secure official discloser protection.

b) Matters of serious misconduct

- i. Theft, fraud or bribery and corruption
- ii. Physical violence or bullying
- iii. Harassment
- iv. A serious breach of health and safety rules
- v. Deliberate and serious damage to property
- vi. A serious breach of data or confidential information
- vii. Serious misuse of an organisation's property or name
- viii. Loss, damage or injury through serious negligence
- ix. Serious insubordination
- x. Bringing the organisation into serious disrepute
- xi. Serious incapability at work brought on by alcohol or illegal drugs

All other items should be reported to the HR Manager.

c) Whistleblowing committee

- i. TEKNOS (M) SDN. BHD. will refer to the Code of Conduct Committee to oversee the management of any whistleblowing reports received.
- ii. No person implicated in a whistleblowing report may sit on the committee or play any role in any investigation or reporting resulting from a report being received.

d) Assurances and protection against retaliation

- i. The discloser shall receive no retaliation for a report that was provided in good faith, i.e. was not done primarily with malice to damage another person or the organisation. Such protection is accorded even if the investigation later revealed that the whistleblower is mistaken regarding the facts, rules and procedures involved.
- ii. Anyone who retaliates against a discloser will be subjected to disciplinary action, which may include termination of employment, demotion, or other legal redress.
- iii. If the person making the report is found to have participated in that or other misconduct, the fact that they came forward voluntarily will be taken into account by TEKNOS (M) SDN. BHD. when considering further action.

e) False or malicious reports

TEKNOS (M) SDN. BHD. will take disciplinary action against any discloser who makes a false report or knowingly slanders and/or commits a defamation on others. Disciplinary actions may include termination of employment, demotion, or other legal redress.

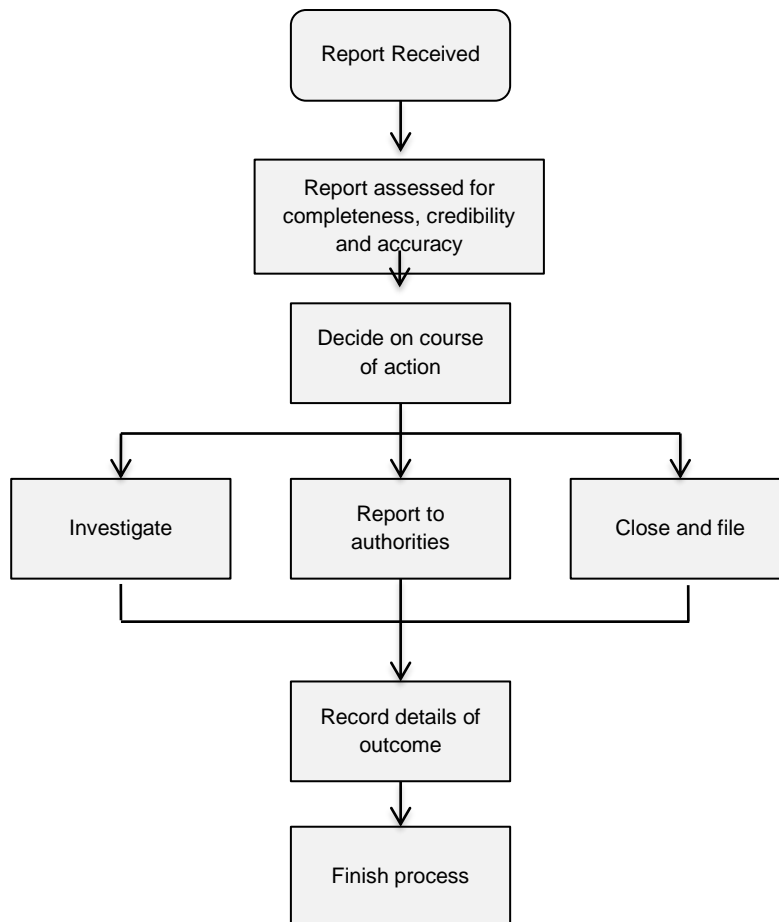
f) Incidents of corruption with evidence

TEKNOS (M) SDN. BHD. will decide whether or not to forward reports received to the authorities. Reports which include the items below will normally be submitted to the MACC, in consultation with legal counsel:

- i. Clear, strong, material evidence of an incident of bribery and corruption
- ii. Specific details of the transaction(s)
- iii. Names of specific individuals
- iv. Other information considered substantial by investigators, in consultation with compliance manager(s)

All reporting to the MACC must be done at the earliest opportunity once the materiality of the case is proven.

Whistleblowing flowchart



3.4 Policy on Conflicts of Interest

3.4.1 Definition of “Conflicts of Interest”

Conflicts of interest arise where a person has an involvement such as a family relationship, TEKNOS shareholding or employment position which brings their personal interests into conflict with the best interests of TEKNOS (M) SDN. BHD. they work for.

3.4.2 Conflicts of Interest Policy

- a) All Personnel are required to declare any conflict of interest, actual or potential, as soon as they become aware of it.
- b) Conflicts are to be declared to the Personnel’s immediate manager, who will discuss the matter with the Managing Director and HR Manager, and take appropriate action.
- c) Where Personnel have a conflict of interest, following notification they are to withdraw from the decision-making procedure and exert no influence on those making the decision.
- d) The HR Manager shall make a record of disclosed conflicts of interest for future reference.
- e) As per sections 221 and 222 of the Companies Act 2016, directors are required to make a formal statement to the board in the event that they hold an interest in a party related to a contract with

TEKNOS (M) SDN. BHD. . They must also withdraw from the decision-making process and exert no influence on those making the decision.

- f) Prospective Personnel are to disclose all conflicts of interest with TEKNOS (M) SDN. BHD. during the hiring process so they can be discussed with the hiring Manager.

3.5 Policy and procedures for Gifts, Entertainment, Hospitality and Travel

3.5.1 Anti-bribery and corruption commitment

TEKNOS (M) SDN. BHD. is committed to conducting business with integrity. This means avoiding practices of bribery and corruption of all forms in TEKNOS (M) SDN. BHD.'s daily operations.

3.5.2 Receiving Gifts

- a) Personnel are prohibited from directly or indirectly, receiving any gifts, kickbacks or guarantees in any form that may compromise their judgement and decision making.
- b) Any gift offered by an external party that is of significant value should be politely declined and returned without offending or disrupting the business relations with the party, with the explanation that acceptance of the gift is not permitted under TEKNOS (M) SDN. BHD.'s policy.
- c) Only the following may be received by Personnel:
- i. **Corporate gifts** of insignificant value, such as diaries, pens, calendars and notebooks;
 - ii. **Items** given equally to all participants during official functions such as a door gift, provided that the items are of insignificant value;
 - iii. **Festive hampers and other perishable goods of market value of less than RM250 in total for the package.** Such items must be delivered to the office and distributed amongst the recipient's team. The donor organisation should not be disclosed if at all possible.
 - iv. **Gifts given at an official event** where refusal would be offensive, e.g. for presenting at a conference, or where the donor is very insistent. Such gifts must be declared to the recipient's manager, who will decide whether the gift can be retained by the recipient or kept by TEKNOS (M) SDN. BHD. .
- d) Under no circumstances may any Personnel accept gifts in the form of cash or cash equivalent or in any other form, including but not limited to:
- i. Cash, commission, cheques, loans, credits cards in any currency, lottery tickets, coupons or gift vouchers of any kind
 - ii. Shares/equity interest in any registered TEKNOS;
 - iii. Personal discounts or perks not offered generally;
 - iv. Awards or prizes of any significant value;
 - v. Trade point cards of any retailer; and/or
 - vi. All other gifts from external providers which might be perceived to influence the behaviour of the recipient.
- e) Family members of Personnel are strictly prohibited from receiving gifts from any external providers having financial dealings with TEKNOS (M) SDN. BHD., where the provision of the gift may influence the actions of the Personnel in the course of performing their duties with TEKNOS (M) SDN. BHD. .

3.5.3 Giving gifts

- a) Personnel are expected to exercise good judgement when offering gifts to external parties. Gifts should not be excessively extravagant and must not be given with corrupt intent. Gifts should be given openly and transparently, and feature TEKNOS branding, where possible.
- b) Giving of gifts should not be done frequently and/or during specific time periods, such as during tenders or contract negotiations, to ensure that no influence is exerted on the decision-making process.
- c) Gifts of a value of >RM200 must be pre-approved by the Managing Director.

3.5.4 Giving and receiving hospitality

- a) The practice of giving and receiving reasonable and proportionate hospitality is regarded as a normal business activity. Hospitality may take many forms, but generally it consists of **meals, travel or transportation, accommodation and recreation**.
- b) Hospitality given and received by Personnel who have interactions with external parties as part of their role should be clearly related to the business between both parties. It should not be received or given so frequently that questions might be raised on the intentions or integrity of the giver or receiver, and not be so lavish as to indicate that corrupt intent is involved.
- c) Personnel are absolutely prohibited from either paying for or participating in any activities that might bring TEKNOS (M) SDN. BHD. into disrepute. Such activities include lavish or immoral entertainment activities such as gambling, hostess entertainment, karaoke with the presence of guest relations officers or their equivalent, massages, unregulated violent sports, illicit drugs and intoxication by alcohol.
- d) Personnel are free to accept hospitality from friends and relatives, provided the hospitality does not influence their actions in any way in the course of performing their duties with TEKNOS (M) SDN. BHD.. If hospitality is provided which might influence (or appear to influence) the actions of the person, they should discuss the matter with their supervisor and if necessary, make a conflict of interest declaration.

3.5.5 Government Officials

In the event that Personnel are hosting Government officials, care must be taken to ensure that the hospitality provided is reasonable and proportionate and does not generate a sense of obligation towards TEKNOS (M) SDN. BHD. .

3.5.6 Violations

Non-compliance to this policy will be considered as major misconduct and the Personnel involved will be subjected to disciplinary action, which may include dismissal. The offence may also be escalated to the relevant enforcement authorities for further action.

3.6 Policy on Donations, Sponsorships and Political Donations

- a) TEKNOS (M) SDN. BHD. takes its responsibility to the wider community seriously and provides both financial and non-financial support for recognised causes. However, such donations and benefits may be misused by certain parties as a subterfuge for corruption.
- b) Requests for donations and sponsorships should be subject to a simple due diligence check using a web search to ensure the legitimacy of the recipient organisation.
- c) TEKNOS (M) SDN. BHD. does not make financial or in-kind contributions to political parties, political party officials or candidates for political office. Use of TEKNOS facilities, equipment and resources by political parties for any political campaign or political party function is not permitted.
- d) Political donations may only be made by the top management/business owner. Donations must be made to the official bank account of the party and a receipt retained. Provision of non-financial support such as venues, vehicles, sound equipment etc. at TEKNOS (M) SDN. BHD.'s expense should not be used to influence political decisions and are to be recorded for future reference.
- e) Additionally, reference and adherence should also be made to the prevailing [Non-Commercial Sponsorships and Donations](#) policy from the Group.

3.7 Policy on Facilitation Payments

- a) A “**facilitation payment**” is defined as a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function. Although such payments are customary under certain circumstances, the laws of many countries, including Malaysia, prohibit it.
- b) TEKNOS (M) SDN. BHD. has a zero-tolerance policy for the use of facilitation payments in relation to its business operations. This Policy prohibits its use by either TEKNOS Personnel or business associates acting on behalf of TEKNOS (M) SDN. BHD.
- c) Personnel are expected to notify the Finance Director when they encounter any requests for a facilitation payment. In addition, if a payment has been made and Personnel are unsure of the nature, the Finance Director must be notified immediately, and the payment recorded accordingly.
- d) Only in the event that a Personnel's security is at stake are they permitted to make the payment. The Personnel must immediately report the incident to their supervisor to record the details and keep a record of what was spent.

3.8 Policy on Financial Controls

- a) Financial controls are the management systems and processes implemented by the organization to manage its financial transactions properly and to record these transactions accurately, completely and in a timely manner.
- b) TEKNOS (M) SDN. BHD. requires the necessary financial controls in order to ensure its financial transactions are properly processed and recorded to prevent the occurrence of bribery and corruption.
- c) TEKNOS (M) SDN. BHD. requires the separation of duties, so that the same person cannot both initiate and approve a payment.
- d) TEKNOS (M) SDN. BHD. requires tiered levels of authority for payment approval. In practice, this means that larger transactions require more senior management approval. Additionally, reference and adherence should also be made to the prevailing [Approval Policy \(dd 14.08.2019\)](#) and [Credit Policy \(14.08.2019\)](#) from the Group.
- e) Cash is often used as a vehicle for bribery and corruption due to the difficulty of tracking when and how it is employed. Therefore, TEKNOS (M) SDN. BHD. requires that the use of cash in daily

operations is restricted to the minimum, with a full record of receipts maintained for all cash payments.

- f) In general, Personnel reimbursements for expenditure on behalf TEKNOS (M) SDN. BHD. shall only be made on the basis of official receipts. Handwritten receipts are to be avoided wherever possible.
- g) The categorisation and descriptions of all payments and transactions shall be accurately and clearly recorded in TEKNOS (M) SDN. BHD.'s accounts, in line with existing applicable legislation and internal controls.
- h) TEKNOS (M) SDN. BHD. shall carry out periodic financial audits at regular intervals. The reviews shall be carried out by an independent person or organisation, as per the requirements of the Companies Commission of Malaysia (SSM).

3.9 Policy on Non-Financial Controls

- a) Non-financial controls are the management systems and processes implemented by the organization to help it ensure that the procurement, operational, commercial and other non-financial aspects of its activities are being properly managed.
- b) TEKNOS (M) SDN. BHD. is committed to implementing the necessary non-financial controls to mitigate any corruption risks that may arise through the procurement process.
- c) Where possible and reasonable, TEKNOS (M) SDN. BHD. should award contracts through a competitive process, on the basis of the best value for money.
- d) TEKNOS (M) SDN. BHD. holds a policy of separation of duties, such that wherever practical, the operational Personnel/departments ordering goods and services are kept separate from Personnel/departments conducting procurement and/or making payment. Additionally, reference and adherence should also be made to the prevailing policy from the Group on [Teknos Supplier Code of Conduct](#) as far as suppliers are concerned.

3.10 Policy for Document Control and Record Keeping

- a) It is important for TEKNOS (M) SDN. BHD. to maintain records on the controls used for the adequate procedures.
- b) Policies and procedures should be stored in a secure location with restricted access to making changes.
- c) Records arising from the procedures (i.e. due diligence checks, conflicts of interest declarations, etc.) must be kept in a safe place, and backed up regularly.
- d) TEKNOS (M) SDN. BHD.'s Finance Director has overall responsibility for the document control and record keeping of anti-corruption related documents.
- e) The Finance Director shall monitor and check the condition of the documents and records at the filing locations periodically to prevent damage, deterioration or loss.

PRINCIPLE IV: SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

4.1 Policy and procedures on Monitoring, Reviewing and Enforcing the Anti-Corruption Initiatives

- a) The Managing Director will ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced. The reviews will form the basis of any efforts to improve the existing anti-corruption controls in place in the organisation.
- b) For this purpose, TEKNOS (M) SDN. BHD. is committed to:
 - i. plan, establish, implement and maintain a corruption risk-based monitoring programme, which covers the scope, frequency, and methods for review;
 - ii. identify and resource competent person(s) to perform an internal audit, in relation to the organisation's anti-corruption measures;
 - iii. conduct continual evaluations and improvements on the organisation's policies and procedures in relation to corruption;
 - iv. consider an external audit by a qualified and independent third party at least once every three years to obtain assurance that the organisation is operating in compliance with its policies and procedures in relation to corruption;
 - v. monitor the performance of Personnel in relation to any anti-corruption policies and procedures to ensure their understanding and compliance with the organisation's stance in their respective roles and functions; and
 - vi. conduct disciplinary proceedings against Personnel found to be non-compliant to the programme.
- c) The results of reviews and audits shall be reported to the top management/business owner for consideration and implementation of recommendations.

PRINCIPLE V: TRAINING AND COMMUNICATION

5.1 Communications Policy

- a) The Managing Director will ensure that communications are conducted both internally and externally regarding the anti-corruption programme.
- b) Communications will include information on key policies and procedures, including Anti-bribery and corruption policy; conflicts of interest; gifts, entertainment etc; facilitation payments; reporting channel.
- c) Communication channels may include personal briefings, email, Internet/intranet, face-to-face briefings, phone calls etc.

5.2 Training Policy

- a) TEKNOS (M) SDN. BHD. shall conduct adequate training to ensure all Personnel exposed to bribery and corruption risk are aware of TEKNOS (M) SDN. BHD.'s policies and procedures set out to establish the anti-corruption programme.
- b) Where relevant, training may also be provided for business associates which may expose TEKNOS (M) SDN. BHD. to corruption risk such as agents, intermediaries and others acting on behalf TEKNOS (M) SDN. BHD..
- c) Vendor/supplier/contractors procuring goods and services to TEKNOS (M) SDN. BHD. may also receive training if deemed appropriate.
- d) Training for Personnel considered to be in high-risk positions should be done at least once every 12 months, with a record kept of training provided and attendance. Training should be tailored to the role and include examples of likely corruption scenarios.