



**TSH RESOURCES BERHAD**  
(Company No. 49548-D)

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**TSH GROUP**  
**ANTI-BRIBERY AND CORRUPTION POLICY**

# Document Revision History

Version No	Effective Date	Section Reference	Summary of Changes
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# Anti-Bribery and Corruption Commitment

To realise our vision of being a premier plantation company committed to sustainability, TSH Group has always believed in being open and transparent in conducting its business. With this also comes TSH Group's commitment to operating in an ethical and responsible manner, accompanied by the highest standards of integrity and compliance with laws and regulations.

TSH Group adopts a zero tolerance policy against all forms of bribery and corruption. Refusal to engage in bribery, refusal to participate in acts of corruption, actively raising concerns, or the reporting of possible wrongdoing, will not be penalised even if such actions may result in TSH Group losing business, not meeting its targets or suffering disadvantage.

## 1.0 Introduction

This Anti-Bribery and Corruption Policy ("this Policy") has been developed as part of TSH Group's Anti-Bribery Management System, which has been designed to help prevent, detect and address bribery and corruption, by establishing a culture of integrity, transparency and compliance.

This Policy applies:-

- (a) to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions; and
- (b) equally to TSH Group's business dealings with commercial ("private sector") and Government ("public sector") entities, and includes TSH Group's interactions with its directors, personnel, agents and other appointed representatives at all levels.

Scenarios covered in this Policy are only examples and not exhaustive. It is incumbent upon the reader to seek immediate guidance from the Integrity Unit in the event that any person subject to this Policy finds themselves in a scenario not dealt with in this Policy, or has any doubt about the scope of applicable laws, or the application of this Policy.

## 1.1 Objective

The objective of this Policy is to:-

- (a) set out TSH Group's position on bribery in all its forms, and matters of corruption that may be faced in the course of its operations; and
- (b) provide information and guidance on how to recognise and deal with potential acts of bribery and corruption.

## 1.2 Application

This Policy applies to all of the Board of Directors and Employees of TSH Group.

### 1.3 Related Documents

This Policy shall be read together with:-

- (a) TSH Group's various other policies, procedures and guidelines for both the Group and individual entity level;
- (b) All applicable laws and regulations as amended from time to time including any re-enactment thereof, in particular with respect to anti-bribery and corruption laws including but not limited to Malaysian Penal Code 1936, MACC Act 2009, Malaysian Anti-Money Laundering Act 2011, Malaysian Companies Act 2016, and Malaysian Financial Reporting Standards; and
- (c) The Prime Minister's Department Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A of the MACC Act 2009 (as may be amended from time to time).

### 1.4 Compliance with Laws and Regulations

This Policy shall at all times comply with and be subject to the laws and regulations of Malaysia. In the event of any conflict or inconsistency between the provisions of this Policy and the laws and regulations of Malaysia, the latter shall prevail.

However, the provisions in this Policy are to be adhered to in the event of any conflict or inconsistencies with a local custom or practices.

TSH Group also acknowledges that the practices and legislative requirements against bribery and corruption vary across the countries in which it operates, and what may be deemed as acceptable in one country may not be in another.

Divisions and/or Regions are therefore encouraged to develop further guidelines, cascading from this Policy, to streamline and develop specific requirements applicable to their respective Division/ Region, whilst also taking into consideration the requirements of local legislation, where applicable. In the event where local laws and jurisdictions requires more stringent controls, then such stricter controls must be followed.

In the event of any conflict with the local laws in the reader's jurisdiction, this Policy is not to be disregarded, without consultation with the Integrity Unit.

### 1.5 Validity of this Policy

This Policy shall become effective on 1 June 2020.

## 2.0 Definition

The terms used in this Policy shall have the meanings ascribed to them as in **Appendix 1**, unless the context otherwise requires.

## 3.0 Payments, Gifts, Hospitality, Donations and Other Benefits

### 3.1 Payments

All payments made by TSH Group must be warranted, transparent and proper. No payments may be made as a subterfuge for bribery or any acts of corruption.

TSH Group adopts a strict policy of disallowing the use of facilitation payments, financial or any other incentives in order to secure an improper advantage, to obtain or retain business, or direct business to/from any other person or entity, including expediting the performance of duties of a non-discretionary nature.

However, Directors or employees may encounter situations whereby they have no alternative but to make a facilitation payment in order to protect themselves, or their relatives, from injury, loss of life or liberty. Any request for or payment of facilitation payment under such circumstances should be immediately reported to the Integrity Unit.

It is also incumbent on the payer to ensure any such payment has been recorded transparently in the Register. Further details on the recommended course of action to be taken for such payments are explained under section 8.5 of this Policy.

### 3.2 Gifts and Hospitality

The giving and receiving of modest gifts and reasonable acts of hospitality are **allowed** by TSH Group **only** as a legitimate means of building goodwill in business relationships.

Any giving and/or receiving of gifts or events of hospitality must fulfil the following conditions:-

- (a) They are modest and limited to avoid the appearance of impropriety;
- (b) They are appropriate to the official responsibilities of the employees offering or receiving the gifts and hospitality;
- (c) They must be carried out in an open and transparent manner, and lawful under the circumstances;
- (d) They do not influence or be perceived to influence actions, or business decisions;
- (e) There must be no expectation of any specific favour or to gain unmerited advantage in return; and
- (f) There must not be any intent to engage in bribery or any acts of corruption.

The following receipt and/or giving of gifts and events of hospitality must be declared in the Register:-

- (a) Gifts and Hospitality that breach the conditions as stipulated above; and/or
- (b) Gifts and Hospitality that are pre-approved by the Audit Committee in view of the exceptional situation granting its occurrence.

In these limited circumstances, all declarations must be properly recorded in the Register within 30 days of the giving and/or receiving of the gifts and hospitality.

Approval or direction must also be sought from the Integrity Unit on the next course of action with regard to such giving and/or receipt of gifts and hospitality. These approval

request and approval received must be properly documented together with the Register, for tabling to the Audit Committee purposes.

### **3.3 Donations and Sponsorships**

TSH Group prohibits the use and receipt of donations or sponsorships to influence actions or the outcome of business decisions.

Any donations and sponsorships extended or received must be properly documented and retained in the Register, and available for audit and/or monitoring purposes.

Donations to foreign-based charities or beneficiaries must be handled with special caution to ensure that they are not disguised illegal payments to foreign public officials, and to ensure that the donations do not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.

When in doubt, the Integrity Unit must be consulted before any such transaction is entered into.

### **3.4 Political Contributions**

TSH Group's funds or resources must not be used to make any direct or indirect political contributions without prior written approval from the Board of Directors establishing that it is in the best interest of TSH Group to do so, and then upon satisfying itself that TSH Group is acting responsibly in accordance with all applicable local laws and requirements for public disclosure. No such political contributions may be used as a subterfuge for bribery.

Any approval request and approval received for the making of political contributions must be properly documented and retained in the Register, and available for audit and/or monitoring purposes.

## **4.0 Recruitment of Employees**

TSH Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for employees and management shall be objective and show no favour, and shall include assessments of individuals' commitment to integrity.

TSH Group will not offer employment to prospective employees in return for previous favour or in exchange for improper favour, such as awarding of contracts. TSH Group shall award contracts and employee positions based on merit. Support/ referral letters in all forms shall not be recognised as part of the business decision making process.

## **5.0 Managing Relationships**

### **5.1 Relationship with Business Associates**

TSH Group will not engage in any form of bribery or provide improper incentive to induce any person to transact with TSH Group. This prohibition specifically includes

kickbacks in any form, offers to split or share any commission, or any other improper or hidden compensation.

Where practical and relevant, TSH Group should conduct appropriate due diligence to ensure that the prospective Business Associate is not likely to commit an act of bribery or corruption in the course of its work with TSH Group.

The extent of the required due diligence shall be based on the circumstances of the proposed transaction. Such due diligence may include searches through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.

Similarly, standard clauses will be included in legal documents and/or contracts with Business Associates requiring them to comply with this Policy in relation to all dealings by them for or on behalf of TSH Group and other applicable laws, besides granting TSH Group the right to terminate any contract in which bribery or an act of corruption has been observed or proved to occur.

## **5.2 Conflict of Interest**

Any person discharging their duties on behalf of TSH Group must avoid situations that create or appear to create conflicts of interest. The use of their position, TSH Group's assets and resources, or information available to them for their personal gain, or gains to relatives and associates, is strictly prohibited.

In situations where a conflict occurs, the person is required to declare the matter to the Group Managing Director immediately.

The Group Human Resource Manual provides for scenarios where written approval is required in the event of conflict of interest arising in the course of the employees' employment with TSH Group.

## **6.0 Risk Assessment**

A comprehensive risk assessment shall be conducted every three (3) years, or as and when deemed necessary by the Audit Committee, to determine the level of anti-bribery controls necessary for a particular aspect of TSH Group's operation, in addition to identifying current bribery and corruption risks potentially affecting the Group's operations.

The results of the risk assessment shall be presented to the Audit Committee and Board of Directors, and incorporated into the Bribery Risk Register of TSH Group as an effective tool for risk handling and risk management.

## **7.0 Staff Declaration**

All TSH Group personnel shall certify in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be documented and retained by the Group Human Resource Department or Regional Human Resource Department for the duration of the personnel's employment.



The Integrity Unit reserves the right to request any information, including on employees' assets, in the event that the person is implicated in any bribery and corruption-related accusation or incident.

## **8.0 Operation, Support and Improvement of this Policy**

### **8.1 Responsibility for this Policy**

TSH Group's Audit Committee has overall responsibility for ensuring this Policy complies with TSH Group's legal and ethical obligations, and that all persons discharging their duties on behalf of TSH Group complies with it.

An Integrity Unit shall be established under the supervision of the Audit Committee as the anti-bribery and corruption compliance arm of TSH Group. The Integrity Unit has primary and day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness.

The Integrity Unit also acts as the first point of reference for any person who wishes to consult on any matters pertaining to bribery and corruption-related matters, including scenarios and areas as discussed in this Policy. In turn, the Integrity Unit shall periodically/ immediately report to the Audit Committee on all matters pertaining to bribery and corruption, depending on the severity of issue.

Such reporting by the Integrity Unit shall form the basis of the Audit Committee's deliberation on the next course of action to be taken in pursuit of TSH Group's fight against bribery and corruption.

Management at all levels is responsible for ensuring those reporting to them are made aware of and understand this Policy.

### **8.2 Review and Changes to this Policy**

This Policy shall be reviewed every three (3) years, or as and when deemed necessary by the Audit Committee, to ensure the Policy is kept abreast with the relevant developments in the legislation as well as evolving industry and international standards.

Any changes to this Policy shall be approved by the Board of Directors.

### **8.3 Communication of this Policy**

This Policy is published on TSH Group's website at <https://www.tsh.com.my/anti-bribery-and-corruption-policy/>. All employees, directors, business associates and any person discharging duties on behalf of TSH Group must be informed whenever significant changes are made to this Policy.

### **8.4 Training and Awareness**

TSH Group shall conduct annual awareness programmes for all its employees and directors on TSH Group's position and commitment regarding anti-bribery and corruption.

Training on this Policy shall form part of the induction process for all new employees.

TSH Group's zero-tolerance on, and compliance with, anti-bribery and corruption practices must also be communicated to all business associates at the onset of relationship with them and repeated or reinforced as appropriate thereafter.

Group Human Resources as well as Regional Human Resources shall maintain records of all training and awareness programmes, including details and attendance of participants.

## **8.5 Infringement of this Policy**

Any infringement of this Policy, including any acts of bribery and misconduct, shall constitute serious misconduct or offences warranting disciplinary action against the offenders, including summary dismissal. TSH Group reserves its right to terminate its contractual relationship with other persons if they breach this Policy.

Non-compliance/ infringement issues identified by audits and any risk identified through this and other means shall be reported to the top management and Audit Committee in a timely manner in accordance with the level of risk identified.

TSH Group recognises that demands for bribes to be paid may be accompanied by threats to personal safety. These should be rare, but if any person discharging duties on behalf of TSH Group is subjected to an immediate threat to their safety, the person may put personal well-being first, even if this means that the person makes a payment that would contravene this Policy.

However, the person must immediately report all of the circumstances of the threat and the payment to the Integrity Unit. If a threat is made but the person is able to notify the Integrity Unit before making such payment to avoid the harm, then the person should do so. Otherwise, notification must be made and approvals must be sought retrospectively, as soon as possible. Such payments must be accurately described and recorded in the Register.

## **8.6 Raising Concerns**

Any person who learns of an actual or suspected violation of applicable laws or this Policy is responsible to report the concern promptly using the reporting channels and guidelines stated in TSH Group's Whistleblowing Policy.

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, as provided by TSH Group's Whistleblowing Policy.

## **8.7 Compliance Function**

Appropriate resources including manpower with appropriate competencies, authority and independence shall be provided for effective operation of the compliance function and overall anti-bribery and corruption management system.

Internal control systems and procedures will be subject to annual audits to provide assurance that they are effective in countering bribery and corruption. Any deficiencies identified must be rectified as soon as possible.

Such audits may be conducted internally by the Group Internal Audit function of TSH Group or by an independent external party. Audit documentation should include performance improvement action plans.

## **8.8 Continuous Improvement**

TSH Group is committed to continuously improving its policies and procedures relating to anti-bribery and corruption.

TSH Group shall monitor the legal and regulatory requirements, wherever it operates, and any changes to TSH Group's business environment and risks, to identify improvement opportunities to this Policy and overall management of bribery and corruption within TSH Group. A report shall be submitted to the top management and Audit Committee on a regular basis for the appropriate action to be taken.

# Appendix 1

## Definition

Agent	<p>Defined by the MACC Act 2009 as:-</p> <p>Any person employed by or acting for another, and includes an officer of a public body or an officer serving in or under any public body, a trustee, an administrator or executor of the estate of a deceased person, a subcontractor, and any person employed by or acting for such trustee, administrator or executor, or subcontractor.</p>
Bribe or Bribery	<p>Any act considered to be the offence of giving or receiving “gratification” under the MACC Act 2009.</p> <p>This includes offering, promising, giving, accepting or soliciting something of value, directly or indirectly, and irrespective of location(s), to illicitly influence the decisions or actions of a person of position of trust within an organisation, or a function that is expected to be performed impartially or in good faith, or to obtain or retain commercial advantage.</p>
Business Associate	<p>An external party with whom TSH Group has, or plans to establish, some form of business relationship.</p> <p>This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors as well as other persons or entities performing work or services for or on behalf of TSH Group.</p>
Conflict of Interest	<p>A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official or professional capacity.</p>
Corruption	<p>Transparency International defines corruption as “the abuse of entrusted power for personal gain”.</p> <p>For the purpose of this Policy, corruption, is defined primarily as any action considered as an offence of giving or receiving “gratification” by the MACC Act 2009.</p> <p>This includes, but is not limited to, acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering. A comprehensive list of these acts may be found within the MACC Act 2009.</p>
Employees	<p>All individuals directly contracted to the Group on an employment and/or contract basis, including permanent and temporary employees and Directors.</p>
Facilitation Payment	<p>A payment or other provision made personally to an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function.</p>

Foreign public official	<p>Defined by the MACC Act 2009 as:-</p> <ul style="list-style-type: none"> <li>(a) Any person who holds a legislative, executive, administrative or judicial office of a foreign country whether appointed or elected;</li> <li>(b) Any person who exercises a public function for a foreign country, including a person employed by a board, commission, corporation, or other body or authority that is established to perform a duty or function on behalf of the foreign country; and</li> <li>(c) Any person who is authorised by a public international organisation to act on behalf of that organisation.</li> </ul>
Gratification	<p>Defined by the MACC Act 2009 as:-</p> <ul style="list-style-type: none"> <li>(a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;</li> <li>(b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</li> <li>(c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</li> <li>(d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</li> <li>(e) Any forbearance to demand any money or money's worth or valuable thing;</li> <li>(f) Any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and</li> <li>(g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</li> </ul>
Hospitality	<p>Includes, but is not limited to, considerate care of guests, business associates, etc., which may include refreshments, accommodation and entertainment, at a restaurant, hotel, club, resort, convention, concert, sporting event or any other venue such as Company offices, estates, mills and plantations, with or without the personal presence of the host. Provision of travel and sponsorship of events may also be included, as may other services such as provision of guides, attendants and escorts, use of facilities such as a spa, golf course or ski resort with equipment included.</p>
Integrity Unit of TSH Group	<p>A compliance unit appointed by the Audit Committee to oversee day-to-day responsibilities for implementing this Policy.</p>
Improper favour	<p>Includes the definition of bribe and gratification under the MACC Act 2009 as well as the following as defined by Transparency International:-</p> <ul style="list-style-type: none"> <li>(a) Patronage - A form of favouritism in which a person is selected, regardless of qualifications or entitlement, for a job or government benefit because of affiliations or connections;</li> <li>(b) Clientelism - An unequal system of exchanging resources and favours based on an exploitative relationship between a wealthier and/or more powerful "patron" and a less wealthy and weaker "client"; and</li> <li>(c) Nepotism - A form of favouritism based on acquaintances and familiar relationships whereby someone in an official position exploits his or her power</li> </ul>

	and authority to provide a job or favour to a family member or friend, even though he or she may not be qualified or deserving.
MACC Act 2009	Malaysian Anti-Corruption Commission Act 2009
Officer of a public body	Defined by the MACC Act 2009 as:-  Any person who is a member, an officer, an employee or a servant of a public body, and includes a member of the administration, a member of Parliament, a member of a State Legislative Assembly, a judge of the High Court, Court of Appeal or Federal Court, and any person receiving any remuneration from public funds, and, where the public body is a corporation sole, includes the person who is incorporated as such.
Public body	Defined by the MACC Act 2009 as:-  (a) The Government of Malaysia; (b) The Government of a State; (c) Any local authority and any other statutory authority; (d) Any department, service or undertaking of the Government of Malaysia, the Government of a State, or a local authority; (e) Any society registered under subsection 7(1) of the Societies Act 1966; (f) Any branch of a registered society established under section 12 of the Societies Act 1966; (g) Any sport body registered under section 17 of the Sports Development Act 1997; (h) Any co-operative society registered under section 7 of the Co-operative Societies Act 1993; (i) Any trade union registered under section 12 of the Trade Unions Act 1959; (j) Any youth society registered under section 9 of the Youth Societies and Youth Development Act 2007; (k) Any company or subsidiary company over which or in which any public body as is referred to in paragraph (a) - (j) has controlling power or interest; or (l) Any society, union, organization or body as the Minister may prescribe from time to time by order published in the Gazette.
Register	Register of Gifts, Hospitality, Donations and Sponsorships, including facilitation payments and other benefits, maintained by the Integrity Unit.
Relative	Defined by the MACC Act 2009 as:-  (a) A spouse of the person; (b) A brother or a sister of the person; (c) A brother or a sister of the spouse of the person; (d) A lineal ascendant or descendent of the person; (e) A lineal ascendant or descendent of a spouse of the person; (f) A lineal descendant of a person referred to in paragraph (b); (g) The uncle, aunt or cousin of the person; or (h) The son-in-law or daughter-in-law of the person.
TSH Group	Refers to TSH Resources Berhad and its subsidiaries, collectively.