



**TECHBOND GROUP BERHAD**

## **Anti-Bribery Management System Policy**

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## Part A: Gifts, Entertainment, and Corporate Hospitality

### 1. No-Gift Policy

- 1.1 Techbond Group Berhad (hereinafter collectively referred to as “TGB”) adopts a “No-Gift Policy” whereby all employees shall **not** solicit or accept any gifts from any third party that may have direct or indirect business interest with TGB.
- 1.2 TGB requires all employees to abide by this policy to avoid conflict of interest between TGB and the external parties as a gift can be seen as a bribe that may tarnish TGB’s reputation or be in violation of anti-bribery and corruption laws.
- 1.3 As set out in TGB’s Corporate Code of Business Conduct & Work Ethics Policy, a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in TGB for his or her personal benefit, including the benefit of his or her family and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by TGB from its employees in the performance of their duties and obligations.
- 1.4 Any gift of cash or cash value (e.g. vouchers, coupons, shares, commissions, etc.) is strictly prohibited at all times.
- 1.5 The exception to the above is for fruits, flowers, and token gifts/promotional items (such as diaries, pens, umbrellas, shirts, etc.) with an approximate/actual value of less than RM500 (the recipients must properly estimate the gift value) as well as hampers (any value) which shall be shared amongst team members or placed in common area/pantry for staff consumption. In such a case, the staff could choose to accept the item without having to make the declaration.
- 1.6 Any gift which violates the terms of “No-Gift Policy” must be declined/returned with an explanation note from the employees thanking the third party for the gift but explains politely about TGB’s “No-Gift Policy” and proceeds to decline/return the gift accordingly.

### 2. Receiving Gifts

- 2.1 TGB is very much aware that in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging TGB’s “No-Gift Policy”, some external parties may still insist in providing gifts to TGB’s employees and/or their family members.
- 2.2 In the event the employee is unable to decline/return a **gift** with an approximate/actual value of RM500 and more, the employee must declare it via Gifts, Entertainment and Corporate Hospitality Declaration Form (refer to **Appendix I**), and surrender such gift to HR Department. HR Department will in turn seek the ED (or person authorised by ED)’s direction on what is the best way to dispose the gift. The ED (or person authorised by ED), subject to his due considerations, will have the right to decide based on the following:
  - (i) donate the gift to charity; or
  - (ii) surrender it to Sports & Recreation Committee to be used for club’s activities [if any]; or
  - (iii) register it as a company property to be used publicly by all employees; or
  - (iv) designate it as a display item; or
  - (v) share it with other employees; or
  - (vi) retain all the gifts and consume later as lucky draw items during company’s event etc.;or
  - (vii) permit it to be retained by the employee.

- 2.3 The exception to clause 2.2 above is for **meals** provided/paid for by a third party. In this case, the staff could accept any meals provided/paid by a third party to them regardless of value.
- 2.4 All declarations must be submitted (with staff and HOD signature) to HR Department as follow:-
- with any gift, including entertainment and corporate hospitality: **IMMEDIATELY.**
  - without any gift, including entertainment and corporate hospitality: **HALF YEARLY.**
- Note:** staff who accepted any gift, including entertainment and corporate hospitality during business trip to submit the Gifts, Entertainment and Corporate Hospitality Declaration Form upon return to office.
- 2.5 Should any dispute pertaining to this SOP arise, the final and decisive interpretation, clarification and decision will be made by the ED (or person authorised by ED).
- 2.6 The process flow of receiving gifts is shown under **Appendix II.**
- 2.7 In the case of directors/board members, they shall be governed by the “No-Gift Policy” as designated by Ministry of Finance/government.

### **3. Receiving Corporate Hospitality & Entertainment**

- 3.1 TGB strictly prohibits employees from soliciting corporate hospitality and entertainment nor are they allowed to accept hospitality and entertainment that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise.
- 3.2 Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of TGB is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever TGB’s business relationship with the Third Party. However, in no circumstances may a staff, director or his/her family/household members accept gifts in the form of cash or cash equivalent.
- 3.3 TGB recognises that the occasional acceptance of an appropriate level of hospitality and entertainment given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for employees to exercise proper care and judgement before accepting the hospitality and entertainment. This is not only to safeguard TGB’s reputation, but also to protect employees from allegations of impropriety or undue influence.
- 3.4 Examples of entertainments could include golf, movies, karaoke, spa, orchestra, concerts etc. As for corporate hospitalities, the examples could include conference, training, open-house, event tickets or invitation for events, additional discounts given on items bought from customer’s companies etc.
- 3.5 In the event the employees find that the corporate hospitality is beneficial to foster healthy business relationship, the staff could pursue the same but it has to be declared to HR Department.

- 3.6 For the purpose of this SOP, travelling is defined as corporate hospitality which typically involves travelling cost within the country or overseas paid by the third party.
- 3.7 If the employees have any doubts on the appropriateness of a corporate hospitality and entertainment offered by an external party, they should either decline the offer or consult with HOD first (subsequently to seek ED (or person authorised by ED)'s approval at the advice of HOD, if deemed necessary).
- 3.8 The process flow for accepting corporate hospitality and entertainment is shown under **Appendix III**.

#### **4. Providing Gifts**

- 4.1 Generally all employees are not allowed to provide gifts to third parties with the exception of ED and any other officers (authorised by the ED) whereby the gift-giving are TGB's corporate gift mainly as a business courtesy or the gifts are distributed during a corporate event.
- 4.2 All expenses incurred to provide the corporate gifts must be properly kept, documented and recorded by the respective division/ department for audit purposes.
- 4.3 There are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:-
- (i) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property);
  - (ii) Gifts from company to external institutions or individuals in relation to the company's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
  - (iii) Gifts from TGB to employees and directors and/or their family members in relation to an internal or externally recognised Company function, event and celebration (e.g. in recognition of a staff's/director's service to the Company);
  - (iv) Token gifts of nominal value normally bearing the TGB or company's logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities; and
  - (v) Gifts to external parties who have no business dealings with TGB (e.g. monetary gifts or gifts in-kind to charitable organisations).

#### **5. Providing Entertainment**

- 5.1 TGB recognises that providing modest entertainment is a legitimate way of building business relationships and a common practice within the business environment to foster good business relationships with external clients and other third parties. As such, eligible employees are allowed to entertain third parties through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients as per **Travel Directive (Sales Department) Policy, Section 8.2 Entertainment**.

- 5.2 Employees should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore they should always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with local anti-bribery and corruption laws.
- 5.3 Employees are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the Corporate Code of Business Conduct & Work Ethics Policy.
- 5.4 All staff are required to comply with the policies and procedures of HR Department, and maintain expenses within the entitlement limits when carrying out entertainment activities. Any breach of limit shall obtain ED (or person authorised by ED)'s approval (prior to the event).
- 5.5 All expenses incurred to provide the entertainments must be properly kept, documented and recorded for audit purposes.

## **6. Providing Corporate Hospitality**

- 6.1 TGB recognises that providing corporate hospitality to all stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.
- 6.2 It is customary for TGB to issue complimentary invitations in the form of passes, tickets or invitations to third parties for events organised or sponsored by TGB as well as events organised or sponsored by external organisations.
- 6.3 While providing corporate hospitality is a reflection of TGB's courtesy and goodwill, the staff and respective HOD must exercise proper care to protect TGB's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision.
- 6.4 There should also be explicit, clear and internally transparent criteria to determine the selection of guests to be invited to TGB's corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve public officials.
- 6.5 All expenses incurred to provide the corporate hospitality must be properly kept, documented and recorded by the respective division/department for audit purposes.
- 6.6 For corporate hospitality, the respective division/department/committee has been given a specific budget. Any breach of the approved budget limit shall warrant the respective division/department/committee to seek approval from ED (or person authorised by ED) prior to the event.
- 6.7 Likewise, if the division/department wishes to provide corporate hospitality which is not under the business plan or budgeted programme, approval shall be sought from ED (or person authorised by ED) prior to the event.

6.8 The process flow for providing corporate hospitality and entertainment is presented under **Appendix IV**.

## **7. Dealing with Public Officials**

7.1 Public official means an individual having public official functions or acting in a public official capacity, and includes any of the following:

- (i) Yang Di-Pertuan Agong, Yang Dipertua Negeri, Sultan, Raja Muda, and Tengku Mahkota;
- (ii) An official or employee of any government, or any agency, statutory body, ministry or department of the government (of any level);
- (iii) Police, military and judicial official (of any level);
- (iv) Member of Dewan Undangan Negeri and Dewan Negara;
- (v) Senator;
- (vi) Member of Parliament;
- (vii) Any individual acting in an official capacity for a government (of any level);
- (viii) Official or employee of a company/an enterprise wholly or partially state-owned (of any level);
- (ix) A political party or official of a political party (of any level); and
- (x) A candidate for political office.

7.2 Public officials include immediate family members, close associates and companies related to such individuals in their capacity as directors, members of management or beneficial owners.

7.3 Family members are individuals who are related to a public officials either directly (consanguinity) or through marriage. A family member of the public officials include his/ her parents, siblings, spouse, children, and spouse's parents (biologically and non-biologically).

7.4 A close associate is any individual closely connected to public officials, either socially or professionally.

7.5 An individual who is closely connected to a public official may include the public official's:

- (a) extended family members, such as relatives (biological and non-biological relationship);
- (b) financially dependent individuals (i.e. persons salaried by the public official such as drivers, bodyguards, secretaries);
- (c) business partners or associates;
- (d) prominent members of the same organisation as the public official;
- (e) individuals working closely with the public official (i.e. work colleagues); or
- (f) close friends.

7.6 Any business relationship with TGB involving interests of a public official who otherwise has a direct relationship with TGB, and which interests are not prohibited by the TGB's Corporate Code of Business Conduct & Work Ethics Policy, requires disclosure. In addition, management's specific approval for establishing business relationships with such customers must be obtained at the appropriate committee level.

7.7 All TGB staff are prohibited from paying for non-business travel, entertainment and hospitality for any public official or his/her family members at any amount without permission from the ED (or person authorised by ED).

- 7.8 If approval is obtained to provide gift, entertainment or corporate hospitality to public officials, the staff must ensure that the gift (only corporate gift is allowed), entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity.



## **Part B: CSR, Donations and Sponsorships**

### **1. CSR, Donations and Sponsorships**

- 1.1 Any CSR, donations and sponsorship activities conducted must not be used as a conduit to circumvent, avoid, or evade the laws or regulatory requirements. More importantly, it shall not be used to facilitate corruption, illegal and money laundering activities.
- 1.2 All CSR, donations and sponsorship requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.
- 1.3 The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain that the benefits reach their intended recipients whilst the programmes meet the intended objectives.
- 1.4 No CSR, donation and sponsorship shall be made to any beneficiary who is controlled or influenced by any political officials.
- 1.5 All CSR, donations and sponsorship shall be made in accordance with the approval limits/budget and must obtain approval from the ED (or person authorised by ED).
- 1.6 All employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from HOD and ED (or person authorised by ED).

### **2. Political Contributions**

- 2.1 As a matter of general policy, TGB does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.
- 2.2 TGB encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by the law.
- 2.3 TGB has the right to engage and communicate its views and position on issues of public interest that have an important impact on TGB.

## **Part C: Facilitation Payment**

### **1. Making Facilitation Payment**

- 1.1 Facilitation payment is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.
- 1.2 Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset, it can be any sort of advantage with the intention to influence them in their duties.
- 1.3 TGB prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.
- 1.4 All persons must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If the staff receive a request or offered facilitation payments, he/she must immediately report to HOD/ED/ person authorised by ED as provided under TGB's Fraud & Whistleblowing Policy).
- 1.5 However, there are certain situations or circumstances where staff are faced with having to make facilitation payments in order to protect staff life, limb or liberty. In dangerous situations like this, staff are allowed to make payments but you must immediately report to your HOD. Making facilitation payment in such a situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

## Part D: Due Diligence on Third Parties

### 1. Dealing with Third Parties

- 1.1 TGB's dealings with third parties, which include customers, contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of the Corporate Code of Business Conduct & Work Ethics Policy. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.
- 1.2 For the purpose of this SOP, the third parties shall include all legitimate business entities ranging from public limited companies and private limited companies to partnerships and sole-proprietorships.
- 1.3 TGB expects that all third parties acting for or on its behalf to share TGB's values and ethical standards as their actions can implicate TGB legally and tarnish TGB's reputation. Therefore, where we engage with or lend-out to third parties, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of the prospective business counterparties before entering into any arrangements with them. This is to safeguard that TGB deals with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.
- 1.4 To help ensure that TGB only do business with third parties that share TGB's standards of integrity, the staff must exercise the following:
  - (i) Conduct due diligence to assess the integrity of TGB's prospective business counterparties. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
  - (ii) All third parties are made aware of the principle innards of TGB's Corporate Code of Business Conduct & Work Ethics Policy, Fraud and Whistleblowing Policies.
  - (iii) All third parties must sign the declaration form (refer to **Appendix V**) which states that:
    - (a) They understand and will comply with all applicable laws and regulations relating to code of conduct, and whistleblowing. Besides, they must be ready to commit to the anti-corruption principles which includes promoting values of integrity, transparency, accountability and good corporate governance, prevention of corruption, fighting any form of corrupt practice, as well as supporting anti-corruption initiatives led by the government and the local authorities (hereinafter collectively referred to as "the requirements").
    - (b) They have not been convicted nor subject to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and will report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to TGB.
    - (c) They undertake to promptly inform TGB of any breach and/or alleged/ suspected breach of the requirements and cooperate with TGB in any investigation of such breach involving TGB's staff.

- (d) They acknowledge that the provisions set out in the declaration form shall form part of the terms and conditions of their appointment and/or contract of service.
  - (e) They further acknowledge that TGB has the right to suspend or terminate their contract/agreement/job and disqualify them from tendering for future contracts/jobs if they were found to have breached the requirements or any other terms and conditions which may be implemented by TGB pursuant to the contract/agreement/job.
- (iv) Continue to be aware of and to periodically monitor third party's performance and business practices to ensure ongoing compliance.

**Note:** For the purpose of the declaration form, it is applicable to **non-customers** only such as TGB's contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, introducers/ government intermediaries etc. with contract/agreement/job value of more than **RM100,000.00**.

At some instances, TGB may also engage with online vendors/service providers such as for the purchase of air flight tickets, travel insurance etc. Such vendors are excluded from the requirement to sign the declaration form. Nevertheless, the staff is still required to ensure reasonable due care is exercised to protect TGB's interest at all times.

- 1.5 If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "red flags" being raised, these warrant further investigation and must be sufficiently addressed before the engagement of the third party can progress. Examples of common "red flags" involving third parties include:
- (i) The transaction involves a country known for a high incidence of corrupt payments.
  - (ii) Family, business or other "special" ties with government or public officials.
  - (iii) A reference check reveals a flawed background or reputation of the third parties.
  - (iv) Objection to anti-bribery representations and warranties in commercial agreements or negative response when told of such requirements.
  - (v) Convoluted payment arrangements such as payment in cash, payment to a third party or requests for upfront payment for expenses or other fees.
  - (vi) The third party requires that his/her identity not to be disclosed as part of the business transaction.
  - (vii) Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.
- 1.6 TGB requires its employees to use good judgment and common sense at all times in assessing the integrity and ethical business practices of third parties.
- 1.7 Employees should seek advice from their HODs whenever particular questions arise relating to third parties that TGB is considering appointing or financing.
- 1.8 For the detailed due diligence checklist on the third party, please refer to **Appendix VI**. The staff is to take note that the due diligence checklist is non-exhaustive and is strongly encouraged to add own measures into the checklist for a meaningful and thorough assessment on the third party.

## **2. High Risk Third Parties**

- 2.1 Third parties that present the biggest risk of corruption or perception of corruption are those that are public officials, connected to public officials or third parties that are likely to interact with public officials in the course of the performance of the contract.
- 2.2 This is because a public official is in a position of influence and could use this influence in relation to the contract or the contract could affect decision making in their official role.
- 2.3 The public official and third party could be working in concert, with corrupt payments being made to the public official. Even if there is no evidence of corrupt activity, the mere association of a public official could create the perception of a corrupt relationship.
- 2.4 Accordingly, contracts with third parties who are public officials, connected to or likely to interact with public officials are high risk. Therefore, the due diligence conducted by the respective division/department in lieu of the public officials shall always be more extensive than the dealing with non- public officials.

## **3. Due Diligence Process**

- 3.1 The purpose of due diligence is to serve as a guide to the employees in making a decision whether to continue the relationship with the third party. Any unsatisfactory answer to the non-exhaustive due diligence checklist shall be treated as red flags by the employees.
- 3.2 If all identified red flags are sufficiently mitigated, then the employees could proceed with the relationship. Similarly, if no red flags have been identified, then the employee can proceed with the engagement (to satisfy that reasonable steps had been taken to address the corruption risk of the third party).
- 3.3 If red flags have been identified but not sufficiently mitigated, then it is critical that further work is undertaken prior to entering into any contract or relationship. All red flags will need to be resolved or mitigated.
- 3.4 The most common/direct way of resolving a red flag will be to contact the third party directly. In particular, the third party should be asked what measures they have taken to resolve the corruption issue which had taken place in their company.
- 3.5 TGB does not in any way limit the methods or mechanisms used by the employees to conduct the third party's due diligence so long as the same is permitted by the law.
- 3.6 Nevertheless, the staff must ensure that they have maximised the due diligence facilities provided by TGB to conduct screening on the third party.
- 3.7 If the red flags relate to a historic investigation in corrupt activity where no convictions happened, then the red flag can be considered mitigated (though it is prudent to seek further information or background of the circumstances).
- 3.8 In some circumstances, the red flags are unsubstantiated rumours which have not been formally investigated by the authorities or law enforcement agencies or proven in a court, tribunal or

equivalent. Under this scenario, the division/department may proceed with the contract. Nevertheless, it is advisable that the division/ department to continuously monitor the situation and immediately highlight to the Management if any adverse findings noticed.

- 3.9 Where the division/department finds that the red flags still could not be mitigated or resolved despite all of the non-exhaustive measures, the division/department shall not proceed with the relationship with the third parties.
- 3.10 For any third party with positive public officials trace, and the division/department has decided to commence the relationship whereby the interests are also not prohibited by TGB's Corporate Code of Business Conduct & Work Ethics Policy, the disclosure in the financing requisition/request for proposal etc. is a mandatory.

## **Part E: Financial & Non-financial Controls**

### **1. Separation of Duties and Approving Powers**

- 1.1 TGB adopts a clear separation of duties for all jobs functions either it is financially or non-financially related.
- 1.2 For jobs related to non-financial activities, there must be at least two-layers of checking i.e. maker and approval.
- 1.3 For jobs related to financial activities, there must be at least three-layers of checking which shall comprise of the maker, checker and approver.
- 1.4 Further, for financial activities (such as disbursement and payment activities), TGB strictly adopts multiple signatories to further mitigate any corruption risk.

## **Part F: Corruption Risk Management**

### **1. Corruption Risk Management**

- 1.1 CRM is a management process that helps to identify structural weaknesses that may facilitate corruption, provides a framework for all staff to take part in identifying risk factors and treatments, and embeds corruption prevention within a well-established governance framework.
- 1.2 All organisations are exposed to corruption risks. Corruption risks may exist at all levels of management, in all functions and activities, and potentially involve internal and external stakeholders.
- 1.3 CRM serves as an important pillar in corruption prevention initiative.
- 1.4 Effective CRM requires commitment from TGB's leadership/employees in building a sound risk culture based on integrity and honesty, clarity in the expression of corporate values, and a comprehensive policy framework.

### **2. Risk Management Approach**

- 2.1 Risk management is an accepted management tool as part of good corporate governance for many organisations in both public and private sectors.
- 2.2 The risk-based approach to prevent corruption helps TGB to focus on key processes or activities that have high exposure to potential corruption risks.
- 2.3 CRM focus on analysing root causes, impact to TGB and its risk treatment plans. If corruption does occur, the short and long-term consequences for TGB include:
  - (i) loss of reputation;
  - (ii) loss of public confidence;
  - (iii) financial loss;
  - (iv) wasted resources;
  - (v) the financial and resource cost of an internal and/or MACC investigation; and
  - (vi) damage staff and the morale of TGB.



### 3. Corruption Risk Assessment Process



#### 3.1 Risk Identification

Identifying all potential risks relate to corruption, bribery, donations, sponsorships etc. in each and every process, activity and system. Two typical questions could be used to assist in identifying the risk i.e. “what can happen” and “how can it happen”.

#### 3.2 Risk Assessment

To estimate the magnitude of each type of corruption risk which had been identified i.e. the likelihood and impact. For this purpose, staff could rely to the likelihood and impact matrix as outlined under the framework.

#### 3.3 Risk Control

The relevant staff shall list down all existing controls in place. If the relevant staff finds that the existing controls are insufficient to mitigate the corruption risk, then he/she could adhere to the following three steps:

- i) enhancing existing controls through better supervision, improved systems, policies and SOPs;
- ii) implementing new controls which are practical and doable; and
- iii) introducing new methods of detecting corrupt behaviour that could result from a particular risk. All these steps shall be treated as the action plans which staff pledge to comply (normally within a year after the risk owner stated in the framework).

#### 3.4 Risk Monitoring

The monitoring of corruption risk, controls, and action plans by relevant staff, and risk owner shall be on continuous basis. An effective monitoring process is essential in detecting and correcting any deficiencies in the divisional/departmental policies, SOPs and processes.

#### 3.5 Risk Reporting

The reporting of any corruption risk shall be immediately upon seven (7) working days of the occurrence.

## Part G: Record-keeping

### 1. Overview

- 1.1 All divisions/departments have to maintain written records evidencing that due diligence has taken place and that any risks identified have been carefully considered and mitigated as practicably as possible.
- 1.2 Records should be retained for a significant period of time in order to comply with the local law as well as TGB's policy/SOPs.

### 2. General Retention Policy

- 2.1 The division/department must retain for at least **seven (7) years**, all records, operational work documents, other documents, and transactions to enable TGB to comply with any requests from the relevant authorities.

### 3. Specific Retention Policy

- 3.1 Records on customer's identification, business correspondence, and security documents are kept by the division/department for up to **seven (7) years after** the relationship is terminated/exited/completed.

## **Part H: Recruitment**

### **1. Corruption & Bribery Screening**

- 1.1 The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.
- 1.2 In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision-making obligations.