

## POLICY STATEMENT

The Taiko Group of Companies (“**TAIKO**”) is committed to ensuring the highest possible standards of ethical, moral and legal business conduct and practices openness and accountability in all aspects of its business. In line with this, TAIKO prohibits all forms of bribery and corruption, and any business conduct that could create the appearance of improper influence.

## PREFACE

The Malaysian Anti-Corruption Commission Act 2009 (the “**MACC Act**”) was recently amended, *inter alia*, to include a new and far-reaching corporate liability provision, i.e. section 17A, which took effect from June 1<sup>st</sup> 2020.

Section 17A(1) provides that:-

*“A **commercial organisation** commits an offence if a **person associated** with the commercial organisation corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent –*

- (a) to **obtain** or **retain business** for the commercial organisation; or*
- (b) to obtain or retain an **advantage in the conduct of business** for the commercial organisation”.*

Section 17A(1) establishes the principle of a commercial organisation’s criminal liability (corporate liability) for the corrupt practices of its employees and/or any persons associated with the organisation in cases where such corrupt practices are carried out for the organisation’s benefit or advantage.

Commercial organisations include, amongst other things, companies incorporated under the Companies Act 2016 and which carry on business in Malaysia.

A person associated with the commercial organisation consists of:-

- Director(s);
- Partner(s);
- Employee(s); or
- Person(s) who performs services for or on behalf of the commercial organisation (distributors, agents, contractors, etc.)

Where a commercial organisation is charged for an offence under Section 17A(1) of the MACC Act, it is a defence for the organisation to prove that it had in place adequate procedures to prevent persons associated with the organisation from undertaking such conduct. By implementing such adequate procedures, therefore, organisations can gain confidence that they have established a suitable defence which can be used to protect both the organisation and top management from the liabilities now arising from Section 17A.

In addition, Section 17A(3) of the MACC Act provides that where an offence has been committed by a commercial organisation, a person who is a director, controller, officer, partner or who is concerned in the management of the commercial organisation's affairs at the time of commission of the offence is deemed to have committed that offence. The onus is on the director, partner, controller, officer etc. to demonstrate that the offence was committed without his consent or connivance and that he exercised due diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.

The penalties, upon conviction, for an offence under Section 17A of the MACC Act entail a fine of not less than (10) times the value of the gratification or RM1 million, whichever is higher, AND/OR imprisonment not exceeding twenty (20) years.

In view of the hefty penalties, it is crucial for commercial organisations to have systems in place to prevent the commission of such offences, hence the Anti Bribery and Corruption Policy.

#### **ANTI BRIBERY & CORRUPTION POLICY**

Corruption is the act of giving or receiving of any gratification or reward in the form of cash or benefits in-kind of any value for performing a task in relation to his/her job description. Bribery can also take shape in the form of gifts in-kind, discount offers, votes, services (including sex), job position/placement, loan and many other forms of payment for payments and purchases.

The main offences stipulated in the MACC Act are as follows:-

- a) Offence of giving or accepting gratification [section 16 of the MACC Act]
- b) Offence of giving or accepting gratification by agent [section 17 of the MACC Act]
- c) Offence by commercial organisation [section 17A of the MACC Act]
- d) Offence of intending to deceive principal by agent [section 18 of the MACC Act]
- e) Acceptor or giver of gratification to be guilty notwithstanding that purpose was not carried out or matter not in relation to principal's affairs or business [section 19 of the MACC Act]
- f) Corruptly procuring withdrawal of tender [section 20 of the MACC Act]
- g) Bribery of officer of public body [section 21 of the MACC Act]
- h) Bribery of foreign public officials [section 22 of the MACC Act]
- i) Offence of using office or position for gratification [section 23 of the MACC Act]

## 1. WHY CORRUPTION SHOULD BE AVOIDED

Corruption should be avoided because it results in risk of criminal prosecutions, risk of financial loss, moral argument, increased financing, capital operating and maintenance costs of projects, increased property or utility prices, or increased charges are required for use of certain facilities, it may result in dangerously defective works, less investment and withdrawal of ethical contractors from the market, poses threats to the country and individual, it can create social unrest and encourage more crimes.<sup>1</sup>

## 2. FORMS OF CORRUPTION

Section 3 of the MACC Act lists some of the forms of gratification and it can be in the form of, amongst other things:-

- 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;
- any office, dignity, employment, contract of employment or services and agreement of employment or render services in any capacity;
- any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part.

## 3. INTRODUCTION

We, at TAIKO, are committed to conducting business ethically with these principled 4Cs core values; **Culture, Compliance, Competency and Conduct** (the “4Cs”) at all times. The management of TAIKO incessantly adopts and promotes the highest standards of professionalism coupled with a culture of integrity within TAIKO as well as places emphasis on the importance of a zero tolerance approach to bribery and corruption in all its actions and decisions, both internally and externally.

In line with TAIKO’s 4Cs and to be in compliance with the new corporate liability provision, the management of TAIKO, with regard to sections 17A(4) and 17(5) of the MACC Act, developed adequate procedures (to prevent bribery from being committed) so as to enable TAIKO to rely on the same as its defence in relation to improper conduct/corrupt acts of gratification by the associated person.

Hence, this Anti-Bribery & Corruption Policy (the “**Policy**”) has been developed to be in line with the above and to encourage the growth of TAIKO’s business activities to be free from unethical and corrupt practices.

## 4. PURPOSE OF THE ANTI-BRIBERY & CORRUPTION POLICY

The management of TAIKO recognises the importance of the 4Cs in particular, Culture of integrity whilst carrying on its business activities with its customers and everyone else who comes in contact with TAIKO. Therefore, establishing suitable policies and procedures will further prevent the occurrence of corrupt practices and maintain TAIKO’s reputation and global trust.

---

<sup>1</sup> <https://www.sprm.gov.my/index.php/en/maca/korporat/203-faq-ace/1247> accessed on 20.02.2020

This Policy acts as a yardstick in providing guidance and information on preventing improper conduct, bribery and corruption being committed by its associated person when dealing with any person, including officials in the private or public sector, customers, suppliers and etc.

## **5. SCOPE**

### **5.1 Universal Application**

This Policy applies to all of TAIKO's officers, directors, and employees (including temporary workers, interns, trainees) in its business worldwide. This Policy also applies to TAIKO's agents, partners, resellers, distributors, contractors, and other intermediaries acting for and on behalf of or representing TAIKO.

All activities carried out on behalf of TAIKO shall be compliant with this Policy regardless of local custom or culture. TAIKO operates a policy of individual accountability. We are each accountable for compliance with this Policy.

The management of TAIKO shall not condone the improper conduct and/or corrupt practices by an associated person and such person shall be severely reprimanded to the extent of termination of their contract (of any nature) with TAIKO.

### **5.2 Agents, Distributors, Consultants and Other Third Parties**

Whenever TAIKO engages and/or retains an agent, partner, reseller, distributor, marketing consultant and/or other third party in connection with any business being sought, TAIKO will investigate to determine the reputation, beneficial ownership, professional capability and experience, financial standing and credibility of such person and the record of such person's adherence to applicable laws in our own and other countries. Any concerns that such investigation may bring to light must be reported to the management. After TAIKO engages a third party, you have a responsibility to continue monitoring ongoing activities and to report your concerns to the management. If you know or reasonably believe that a contravention of this Policy has been, is being or may be made you must report it to the Legal Department and in appropriate circumstances prevent the payment or promise of payment from occurring.

### **5.3 Joint Ventures**

Similarly, whenever TAIKO decides to undertake business with a joint venture partner, TAIKO shall be required to conduct a review and/or due diligence on the prospective joint venture partner or partners in order to determine their reputation, beneficial ownership, professional capability and experience, financial standing and credibility of the prospective joint venture partner.

### **5.4 Contract Procedures**

Persons or entities who provide goods or services to TAIKO or on its behalf must meet TAIKO's standards and abide by TAIKO's policies and business codes of conduct on bribery and corruption, failing which they should expect to have their contracts terminated with immediate effect and TAIKO shall actively seek to recover any losses suffered as a result.

TAIKO has developed standard form clauses for inclusion in all its commercial contracts dealing with bribery and corruption which, in essence, enables TAIKO to terminate contracts if bribery is established. Unless otherwise approved in writing by the Finance Director (FD), all contracts with partners, resellers, distributors, consultants, and other third parties acting for and on behalf of TAIKO shall include TAIKO's standard anti-bribery and corruption clauses.

## **5.5 Disciplinary Procedure**

Failure to comply with this Policy will be grounds for termination or other disciplinary action measures taken against the wrongdoer. Any questions concerning this Policy shall be addressed to the Legal Department who will be able to provide advice and guidance in relation to this Policy. Administration of the Policy shall be vested in the hands of the FD or a dedicated nominee from the Legal Department who will conduct the day-to-day administration and enforcement of this Policy. The FD retains the ultimate responsibility for ensuring strict compliance with the zero-tolerance approach to bribery and corruption. Employees, joint-venture partners, contractors, agents and other intermediaries representing TAIKO are encouraged to raise concerns about any instance of malpractice at the earliest possible stage. The Taiko Group's 'Whistleblowing' Policy may be relevant and is drawn to your attention.

Failure to report can be construed as a misconduct and shall be dealt with accordingly. Disciplinary action may include an immediate termination of employment or of any business agreement or relationship.

Any form of discrimination, retribution or retaliation against anyone who has, in good faith, reported a possible violation of this Policy or refused to participate in activities that violate this Policy is prohibited and shall be treated as a serious disciplinary matter.

FD or a dedicated nominee from the Legal Department shall review the implementation of this Policy to test its adequacy and effectiveness from time to time and shall make improvements as appropriate. Any material non-compliance shall be reported immediately to the Group Chairman of Taiko.

## **6. RAISING CONCERNS AND SEEKING GUIDANCE**

You are expected to report suspicious activity without delay and without apprehension. We know that our employees and representatives are not experts in the law and this Policy is designed to help you recognize situations that might be of concern. This Policy requires you to raise your concerns promptly if you have a sense that something unethical or untoward is going on involving TAIKO's business. If you try to look the other way so as to avoid being witness to bribery or corruption, you may find yourself in contravention of this Policy and the law.

Failure to report a concern may result in the termination of your employment. You may make reports in accordance with the Reporting & Investigation procedures set out in Article 11 below in order to preserve your anonymity. If you are unsure what to do or if you have doubts but do not want to get yourself or anyone else into trouble, you should notify the FD who will consult with you on a confidential basis. It is always better to notify your concerns rather than keep them to yourself.

If for any reason you do not wish to speak with the FD, then you should consult the Whistleblowing Procedures which will set out the names and contact details of others within TAIKO with whom you can discuss matters on a confidential basis. (Please refer to Article 11 below for Whistleblowing Procedures.)

If you are offered a financial or other advantage or if you suspect that someone within TAIKO is or is about to offer an improper financial or other advantage, you must report this to the FD without delay.

## **7. PAYMENTS TO THIRD PARTIES**

All payments made to third parties shall be properly recorded, transparent and warranted. No payments shall be made as a strategy for bribery. It is contrary to this Policy to offer, promise, authorise, pay or give, either directly or indirectly, to any other person (whether a government official or not) any financial or other advantage(s) in order to secure an improper advantage, to obtain or retain business, or direct business to any other person or entity.

TAIKO therefore insists that:-

- a) any payment made to any person, such as an agent, representative or intermediary, represents no more than an appropriate remuneration for legitimate services rendered by such person;
- b) no part of any such payment is permitted to be passed on by the agent as a bribe or otherwise in contravention of this Policy;
- c) in each contract with any partner, distributor, contractor, agent and/or other intermediary representing us, such representative must agree not to pay bribes or otherwise engage in any corrupt practice. We must reserve the right to terminate agreements with representatives if a bribe is paid or other corrupt practice is undertaken;
- d) each of our business units and all our joint-venture partners, contractors, agents and other intermediaries representing us must maintain an accurate record of the names, terms of employment and payments to all persons who are retained by them in connection with transactions with public bodies, state or private enterprises. This record must be made available for inspection by us and our appointed auditors on demand;
- e) no employee, joint-venture partner, contractor, agent or other intermediary representing us is permitted to engage in bribery or any form of unethical inducement or payment (including facilitation payments and 'kickbacks') and all such persons must avoid any activities that might lead to, or suggest, a conflict of interest with the business of TAIKO;
- f) we uphold laws relevant to countering bribery and corruption in all the jurisdictions in which we operate, particularly laws that are directly relevant to specific business practices;
- g) all agents, representatives and intermediaries must be properly vetted and due diligence undertaken on them to ascertain their compliance to represent us before we appoint them;

- h) all payments should be approved in writing by a senior person in the business before making the payment;
- i) receipts for payments should be obtained from the recipient; and
- j) all payments must be accurately recorded through our normal accounting and financial procedures without any deception or disguise as to the recipient's identity or the purpose for the payment in question.

For the avoidance of doubt, so-called facilitation payments are prohibited. TAIKO does not make facilitation payments (sometimes known as grease payments), of any kind. Facilitation payments in Malaysia are recognised as a form of corruption under the MACC Act and the making of facilitation payments is prohibited under this Policy.

TAIKO recognizes that in some parts of the world, facilitation payments may be sought in a business-as-usual fashion. TAIKO will not pay them and we will not expect to be paid them. We insist that proper and thorough due diligence is undertaken on those with whom we do business and, in particular, any organization which represents our interests in any capacity or which supplies goods or services to us.

In TAIKO's business, we must keep and maintain accurate books and records in reasonable detail. We are subject to internal audit and controls. All payments must be properly recorded in our accounts and financial records. Recording such payments in any way which would conceal their true nature or which is contrary to applicable accounting standards is not permitted.

Payments of reasonable and bona fide expenses incurred in the proper course of our business are not prohibited by this Policy when they are directly related to the execution or performance of a contract or other binding obligation.

## **8. POLITICAL AND CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS**

Sponsorship, political and/or charitable contributions require prior authorization.

The presumption is that TAIKO does not make any contributions to political parties, party officials and/or candidates. All requests for political contributions must be channelled through the FD. We will only do so if our board of directors establishes in writing that it is in our interests to do so and then only upon satisfying itself that we are acting responsibly in accordance with all applicable laws and all requirements for public disclosure. No such political contributions may be used as a subterfuge for bribery.

Sponsorship or charitable donations might amount to bribery if not undertaken for the right and proper reasons. TAIKO is not against sponsorship or charitable donations in all cases. As a business, TAIKO is pleased to support deserving causes, but not in the expectation of any reward or influence in return. All requests for sponsorship must be channelled through the FD in advance.

Similarly, any charitable contributions and sponsorships are not to be used as a subterfuge for bribery. Charitable contributions and sponsorships must be transparent and in accordance with applicable law. All charitable contributions and sponsorships must be approved by the FD in advance.

If you are approached for a charitable donation, sponsorship or a political contribution (in each case, of any nature or description) you must inform those who approach you that there is an approval procedure which you are bound to follow and that you will be referring the matter to TAIKO's FD for approval before responding.

If you wish to undertake charitable works or to seek sponsorship of a personal nature from your work colleagues, please notify the FD in advance. We will not prevent genuine fund raising of a personal nature by our employees and associates provided it is clear that this is unrelated to our business.

If you make personal contributions to charities or to political organizations or if you engage in any form of sponsorship from your own funds, please make clear to all concerned that such activity has nothing to do with our business and that you are acting in your personal capacity outside of work. You must not use any resources of TAIKO for, or in support of your personal activities in this regard.

## **9. GIFTS, HOSPITALITY AND EXPENSES**

TAIKO only accepts or provides hospitality and gifts within pre-defined limits or RM300 and it is never to secure any improper advantage or to influence a business decision. TAIKO recognises that to refuse hospitality can cause offence, which is not the intention of this Policy, and that in the ordinary course of business, hospitality is extended and accepted without amounting to a bribe.

Gifts, hospitality, and sponsorship may only be made and/or received in compliance with this Policy. You are required to complete a written record of hospitality offered/received and any gifts received/declined and/or speaker/author/non-executive fees received/declined.

How do you know if an offered gift, entertainment or hospitality is acceptable? First, take a step back and ask yourself the following:-

- What is the intent – is it to build a relationship or is it for something else?
- How would it look if these details were on the front of a newspaper?
- What if the situation were reversed – would there be a double standard?

The acceptance of corporate hospitality (other than refreshments offered in meetings held at business premises) requires prior approval from your Head of Department. You should only accept corporate hospitality if it is ethically, morally, socially and politically 'correct'. Nothing should be accepted that brings you, your colleagues or our business into disrepute. What denotes correct would solely depend on a case by case basis and the essence of it should reflect the efforts undertaken by TAIKO to prevent bribery.

Hospitality, gifts or expenses which has 'strings attached' must be declined. If the intent or purpose of the hospitality is an attempt to secure a business advantage or influence a decision (e.g. by creating a sense of obligation), then it must be declined.

High value corporate hospitality should be politely declined, unless there are compelling business reasons to accept such hospitality and such hospitality is approved by your Head of Department. In any event, approval in writing prior to acceptance of corporate hospitality must be obtained from the FD where the value of the hospitality exceeds RM 300.



Should there be any changes made to the spending limits, the FD shall notify such new limits applicable to hospitality and entertainment and you must abide by these rules from the date that such limits are introduced. Where you are responsible for relationships with customers and suppliers to TAIKO's business, you may entertain such individuals for bona fide purposes only wherein the value of such hospitality is reasonable and proportionate, subject to approval being obtained from your Head of Department. Any form of extravagant and/or luxurious entertainment is not permitted by TAIKO. Ordinary hospitality to meet customers, network with customers and improve relationships is unlikely to be a problem, but please be aware that extraordinary hospitality might be unlawful and contrary to this Policy and the MACC Act.

You shall report to the FD should you suspect any of your offers or provided hospitality has been misconstrued by the recipient as an inducement, and appropriate steps must be taken to correct this misapprehension. You should make allowance for the possibility that acceptance of a gift or hospitality by the intended recipient is contrary to the recipient's own rules and policies. You should, therefore, explain to the recipient that it is perfectly acceptable to refuse your offer of a gift or hospitality and that, should the recipient prefer, attendance at an event you are running is open for acceptance on the basis that the recipient pays for himself/herself.

Hospitality in all cases shall be reasonable in value, subject to prior approval by the Head of Department, offered or accepted in good faith only in connection with TAIKO's business and should be lawful under the MACC Act. The frequency of hospitality should be carefully monitored, as the cumulative effect of frequency may give rise to the appearance of impropriety. Hospitality must not be offered or provided in return for any favour or benefit or to influence improperly any official decision.

The test to be applied in all circumstances is whether the giving or receiving of any gift or entertainment is reasonable and justifiable. If the intention or effect of any gift or entertainment or other hospitality might create a real or perceived influence upon any person, then further guidance and/or approval must be sought from the FD before the giving or accepting of the same.

Under no circumstances may any form of gifts, hospitality or entertainment be offered to or accepted from any person with whom TAIKO is in a competitive tender scenario (i.e. a contract is being awarded and we are bidding for or awarding that contract). This restriction shall also be applicable to any form of gift or corporate hospitality offered by a tenderer participating in a competitive procurement exercise and such offer shall be reported to the person in charge of such procurement process or directly to the FD. The Procurement Policy, if any, shall adopt this Policy, where applicable.

The offer or acceptance of gifts, hospitality or expenses must be limited to reasonable and *bona fide* expenditures, and must not improperly affect the outcome of any procurement or other business transaction or be capable of being reasonably construed as improperly affecting such outcome. Employees must declare and keep a record of hospitality or gifts offered and accepted, which will be subject to managerial review.

Care must be taken when giving or being offered entertainment, gifts or hospitality from persons with whom there is no prior business relationship. All gifts, hospitality and entertainment offered to a foreign public official (no matter the value) must be approved in writing by the FD in advance.

Cash may not be given to any third party by way of hospitality or entertainment. Giving promotional items of nominal value such as coffee mugs, golf balls, calendars, or similar items displaying the company logo that are distributed for advertising or commemorative purposes and/or gifts of nominal value is generally permissible, but if in doubt, check with the FD first.

You are only permitted to accept and keep gifts paid for by third parties of very low value such as umbrellas, pens, diaries and small branded items provided the value of such gifts are below RM 100. Other gifts exceeding the value of RM 100 shall be approved by the Head of Department and gifts exceeding the value of RM 300 shall be subject to the approval of the FD. Be that as it may, you should first politely decline in the first instance, pending authorisation in writing from the Head of Department or FD to accept and/or keep such gifts.

TAIKO does not intend to offend the person offering any such gift and you should make it clear that you have no option but to comply with this Policy and that you will be pleased to accept the gift if the FD or Head of Department approves it. Any attempt to undermine the impartiality of our people by the offer of substantial gifts or other inducements should be reported directly to the FD immediately.

There may be rare circumstances where declining the gift is likely to cause major offence (e.g. gifts from foreign dignitaries or religious leaders). In these circumstances the gift may be accepted and then donated to charity and or as decided by the FD (with a record in the Gifts Register maintained by the Legal Department).

TAIKO recognises that you may receive unsolicited token gifts from third party marketing departments from time to time, such as calendars, keychains, etc. You should consider the impact of displaying or using these items on third parties who may understand the same to reflect a loyalty to one supplier. Neither you nor any members of your family are permitted to receive 'personal' direct sponsorship from any third parties with whom TAIKO is in business with.

As a general rule, TAIKO does not pay for third parties' travel or other expenses. If there is a legitimate reason to depart from this rule, a written approval shall be obtained from the FD who shall also decide on the reasonable amount of such expenses which should be offered in good faith and shall be in connection with TAIKO's business and shall be lawful under the MACC Act. Reimbursement of expenses requires reasonable proof of payment (e.g. a receipt) and wherever possible shall be made directly to the service provider (for example, an airline) or the foreign government or agency involved and not to an individual.

Expenses should not go beyond what is reasonably necessary for the business purpose; for example, lavish accommodations, and expenses for spouses and children or side trips are strictly prohibited.

## **10. DUE DILIGENCE**

Business shall only be conducted with those/third parties who have been thoroughly screened and/or checked. TAIKO needs to know that the third party is who they say they are as well as to assess the risk of doing business with each third party prior to entering into a business relationship. It is important to determine the level of due diligence that needs to be undertaken on such third party - the greater the risk, the more due diligence must be undertaken, but in all cases due diligence must be thorough and vigilant.

TAIKO needs to know that the third party is not surreptitiously representing somebody not disclosed to us. TAIKO also needs to know that the third party shares TAIKO'S commitment to preventing bribery and corruption.

There shall be a written contract with all third parties with whom business is being done and or has a business relationship. It includes those who represent TAIKO and/or provide services to and on behalf of TAIKO as well as those with whom TAIKO trades with. Thorough due diligence shall be undertaken before entering into contractual relations. Such a written contract shall include provisions that require the third party to comply with among others, this Policy in the country in which such third party operates. Such contracts must also permit TAIKO to verify compliance by auditing the third party from time to time.

A third party includes any person, organization, firm or company other than TAIKO and TAIKO group companies. In particular, any person, organization, firm or company who provides services to TAIKO or engages in any business activity for us is a third party. Employees of TAIKO group companies are not third parties for these purposes.

## **11. REPORTING & INVESTIGATION**

You must report any suspicious activity in the course of TAIKO's business which are or are potentially non-compliant with this Policy and the MACC Act. A person who makes such report is a whistleblower. You will not be penalized after you do so. TAIKO is committed to conducting our business with honesty and integrity, and we expect all of our employees to maintain high standards. However, all organizations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur.

The aims of this Policy are:-

- (1) to encourage employees to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected.
- (2) to provide employees with guidance as to how to raise those concerns.
- (3) to reassure employees that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken.

This Policy applies to all individuals working at all levels of the organisation, including directors, officers, senior managers, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term workers, casual and agency employees and volunteers.

This Policy should not be used for complaints relating to your own personal circumstances, such as the way you have been treated at work. In those cases, you should use the existing grievance procedures in TAIKO Policy and Procedural Manual or raise your concerns to your Head of Department.

However, where the matter is more serious, or you consider that your Head of Department has not addressed your concern, or you prefer not to raise it with them for any reason, you should contact one of the following:-

- Executive Director;
- Human Resources Manager;
- Managing Director;
- Finance Director.

TAIKO will arrange a meeting with you as soon as possible to discuss your concern. You may bring a colleague or representative to any meeting under this Policy. Your companion must respect the confidentiality of your disclosure and any subsequent investigation.

TAIKO will take down a written summary of your concern and provide you with a copy after the meeting. TAIKO hopes that its employees will feel able to voice whistleblowing concerns openly under this Policy. However, if you want to raise your concern confidentially, we will make every effort to keep your identity secret. If it is necessary for anyone investigating your concern to know your identity, we will discuss this with you.

TAIKO does not encourage employees to make disclosures anonymously as proper investigation may be more difficult or impossible if we cannot obtain further information from you. It is also more difficult to establish whether any allegations are credible and have been made in good faith. Whistleblowers who are concerned about possible reprisals if their identity is revealed should come forward to the FD or one of the other contact points listed above and appropriate measures can then be taken to preserve confidentiality.

The aim of whistleblowing is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally. Whistleblowing concerns usually relate to the conduct of our employees, but they may sometimes relate to the actions of a third party, such as a customer, supplier, service provider, partner or distributor.

TAIKO encourages you to report such concerns internally first. You should contact your Head of Department. Once you have raised a concern, TAIKO will carry out an initial assessment to determine the scope of any investigation. We will inform you of the outcome of our assessment. You may be required to attend additional meetings in order to provide further information. In some cases, TAIKO may appoint an investigator or team of investigators including employees with relevant experience of investigations or specialist knowledge of the subject matter.

The investigator(s) may make recommendations for change to enable us to minimize the risk of future wrongdoing. TAIKO aims to keep you informed of the progress of the investigation and its likely timescale. However, sometimes the need for confidentiality may prevent TAIKO from giving specific details of the investigation or any disciplinary action being taken as a result. Unless specifically informed otherwise, you should treat any information about the investigation as confidential. If we conclude that a whistleblower has made false allegations maliciously, in bad faith or with a view to personal gain, the whistleblower will be subject to disciplinary action. If such an allegation against an employee is upheld, that employee is likely to be dismissed without notice or payment in lieu.

Although TAIKO cannot always guarantee the outcome that you are seeking, we will try to deal with your concern fairly and in an appropriate way.

### **11.1 Protection and Support for Whistleblowers**

It is understandable that whistleblowers are sometimes worried about possible repercussions. TAIKO aims to encourage openness and will support employees who raise genuine concerns in good faith, even if they turn out to be mistaken. Employees must not suffer any detrimental treatment as a result of raising a concern in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If the matter is not remedied, you should raise it formally using the existing grievance procedure in the Taiko Group Policy and Procedural Manual.

Employees of TAIKO must not threaten or retaliate against whistleblowers in any way. Anyone involved in such conduct will be subject to disciplinary action. The FD has overall responsibility for this Policy, and for reviewing the effectiveness of actions taken in response to concerns raised under this Policy. Various officers of TAIKO have day-to-day operational responsibility for this Policy, and all managers and other Employees who may deal with concerns or investigations under this Policy receive regular and appropriate training.

The Legal Manager and the FD will review this Policy, from a legal and operational perspective at least once a year. All those who are under TAIKO's employment shall be responsible for compliance with this Policy and shall ensure that the Policy is used to disclose any suspected non-compliance or wrongdoing.

## **12. MONITORING AND REVIEW**

The FD shall monitor the effectiveness and review the implementation of this Policy regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

The FD shall report regularly on compliance with this Policy to the Group Chairman of Taiko. All employees are responsible for the success of this Policy and should ensure that they use it to disclose any suspected danger or wrongdoing.

## **13. REVIEW AND TRAINING**

In maintaining best practice, the contents of the Policy shall be reviewed by the management at least once a year and be revised, if necessary, to improve the effectiveness in combating corruption.

Training on this Policy forms part of the induction process for all new employees and third parties. All existing employees will receive regular, relevant training on how to implement and adhere to this Policy. TAIKO's robust approach to bribery and corruption must be communicated to all third parties at the outset of TAIKO's business relationship with them and as appropriate thereafter. No third parties who will be dealing with public officials on behalf of TAIKO should be authorised to do so

without first agreeing, in writing, to abide by this Policy, and all relevant anti-bribery and anti-corruption laws including the MACC Act.

#### **14. RECORD KEEPING**

Any approvals obtained or reports made under this Policy must be documented and kept properly in a readily accessible manner.

#### **15. RED FLAGS**

The following is a list of possible red flags that may arise during the course of any representative working for, on behalf of or in association with TAIKO, and which may raise concerns under the MACC Act. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for, on behalf of or in association with TAIKO, you must promptly report them to the FD.

- a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them;
- c) a third party:-
  - i) insists on receiving a commission or fee payment before committing to sign a contract with TAIKO, or carrying out a government function or process for the TAIKO;
  - ii) requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
  - iii) requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
  - iv) requests an unexpected additional fee or commission to “facilitate” a service;
  - v) demands lavish entertainment or gifts before commencing or continuing negotiations or discussions on a matter;
  - vi) requests that a payment is made to “overlook” potential legal violations;
  - vii) requests that you provide employment or some other advantage to a friend or relative;
- d) you learn that a colleague has been taking out a particular public official for very expensive and frequent meals;
- e) you receive an invoice from a third party that appears to be non-standard or customized;
- f) you notice that TAIKO has been invoiced for a commission or fee payment that appears large given the service stated to have been provided; or
- g) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to TAIKO.