

TA ANN HOLDINGS BERHAD
(419232-K)
ANTI-CORRUPTION & BRIBERY POLICY

1. POLICY STATEMENT

Ta Ann Group conducts its business in full compliance with the law and ethics. It is the policy of the Group of zero tolerance for bribery and corruption. Ta Ann Group is committed to ensuring the highest standards of integrity, accountability and professionalism in the conduct of its businesses whereby it does not tolerate any bribery of, or kickbacks to or from, any private person or government official. This is consistent with the Group's core values of INTEGRITY, TEAMWORK and EXCELLENCE.

This Anti-Corruption & Bribery Policy (Policy) is established to facilitate the prevention and disclosure of all forms of bribery and corruption occurring within and associated with the Group. Anti-bribery and anti-corruption laws are complex, and the consequences of violating these laws are severe and disruptive to the entire Ta Ann Group. For this very reason, all Ta Ann Group's personnel and its associates must avoid any activity that could be construed as bribery and act of corruption.

Bribery offences can result in the imposition of severe fines and/or custodial sentences (imprisonment), exclusion from tendering for public contracts, and severe reputational damage. We, therefore, take our legal responsibilities very seriously. We will uphold all applicable laws and regulatory requirements relevant to countering bribery and corruption.

2. DEFINITIONS OF CORRUPTION AND BRIBERY

A "corruption" is the misuse of public power for private gain or the misuse of entrusted power in relation to business outside the realm of government.

A "bribe" is an offer or gift of anything of value or any advantage intended to improperly influence the actions of the recipient or other person(s).

A "kickback" is the return of a sum already paid or due to be paid as a reward for awarding or fostering business.

A "government official" is any national, state, regional or local government official or employee, a political candidate, a representative of an organization, or an official or employee of the government.

Bribery and corruption can take many forms, including the provision or acceptance of:

1. Cash payments;
2. Phony jobs or "consulting" relationships;
3. Kickbacks;
4. Political contributions;
5. Charitable contributions;
6. Social benefits; or

7. Gifts, travel, hospitality, and reimbursement of expenses or any benefit or consideration, direct or indirect.

3. OBJECTIVE OF THE POLICY

The objective of this Policy is to promote good business conduct and to maintain a healthy corporate culture that engenders integrity, transparency and fairness in Ta Ann as committed by the top management.

This Policy sets out the framework for the disclosure of any acts of receiving or giving appeasement and the protection of the party making the disclosure (hereinafter referred to as the Whistle-blower).

The purpose of this policy aims to:

- a) Outline policies, procedures, directives and guidelines with anti-corruption/bribery laws and explain the prohibition against bribery and corruption in day to day operations.
- b) Highlight specific compliance requirements relating to these prohibitions.
- c) Promote good corporate governance standards.
- d) Provide a safe and confidential avenue for employees of the Group and members of the public to disclose any Bribery.
- e) Reassure the Whistle-blower that they will be protected from reprisals for the disclosure of any Bribery made in good faith to avoid baseless allegations.

Appeasement refers to:

- a) money, donation, gift, loan, fee, reward, valuable security, financial benefit, or any other similar advantage.
- b) any office, dignity, employment, contract or employment or services, and agreement to give employment or render services in any capacity.
- c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage.
- e) any forbearance to demand any money or money's worth or valuable thing.
- 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 any 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.
- g) any offer, undertaking or promise, whether conditional or unconditional, of any conciliation within the meaning of any of the preceding paragraphs (a) to (f).

It is in the Group's sustainability policy to provide for the Group to organize and sponsor various events and activities as part of its Corporate & Social Responsibility (CSR) programme under its long term sustainability planning exercise. It is therefore crucial that these CSR requests must be directed to and managed by the top management and Risk Management Committee, to avoid any misperception or undesirable outcome resulting from the decision of providing to specific CSR activities.

The general guidelines on CSR programme:

- a) The Group does not donate in kind or cash to any political parties, political party officials or candidates for political office. In certain cases, where support is required, the assistance provided must directly benefit the targeted community and never to be directly used for the benefit of the party.
- b) Employees are required to declare any potential conflict of interest (in writing) if forwarding a request for a donation that may directly benefit his/her family members.
- c) Due diligence must be carried out to ensure that the proposed recipient ie bodies/organization is a legitimate body/organization.
- d) Donations provided for disaster recovery activities must go through relevant authorities to ensure that the recipients are legitimate.

4. APPLICATION

This policy applies to:

- a) directors
- b) senior managers
- c) officers
- d) employees, whether permanent, fixed term or temporary
- e) consultants & contractors
- f) seconded staff casual workers & agency staff
- g) volunteers & interns
- h) all third parties engaged by and representing or acting on behalf of Ta Ann Group in whatever capacity (including agents, distributors, intermediaries and business partners).

wherever located, collectively referred to as "associates" in this policy.

This means that anyone working for, or on behalf of Ta Ann Group or its associates must never solicit, accept, agree to receive, promise, offer or give a bribe, facilitation payment, kickback or other improper payment.

5. PROHIBITED AND RESTRICTED PAYMENTS OR RECEIPT

Ta Ann Group is committed to acting fairly and with integrity in all its business dealings and relationships. For compliance with global anti-bribery and anti-corruption laws, Ta Ann Group will conduct regular reviews of certain transactions as well as obtaining end-user documentation and information necessary for anti-bribery compliance purposes. The risk assessment shall be documented and periodically reviewed, and the Risk Management Committee shall be updated yearly following the applicable regulations.

To provide an avenue to raise a legitimate concern about actual or suspect improprieties including incidences of bribery and corruption, Ta Ann Group had established whistleblowing policies and procedures whereby the Whistle-blowers can raise concerns in confidence, and to ensure a proportionate and independent investigation is duly conducted and follow-up action is taken. The whistleblowing channel has been

created to help stakeholders to raise their concern, without fear of retaliation and protect from reprisals and victimisation in respect of whistleblowing done in good faith. All concerns should be addressed to immediate superior or Ta Ann Group's Managing Director, or even the Audit Committee Chairman.

Ta Ann Group places great emphasis on prevention, detection and reporting of bribery and corruption by subscribing to the followings:

5.1 Improper Payment or Receipt

Ta Ann Group's employees and Directors are not allowed to offer, promise, authorise, direct, pay, make or receive any bribes/inducements, kickbacks or payments of money or anything of value in kind in an attempt to influence the objective and fair business decision of Company or gain an improper advantage for Company.

The above prohibition applies to dealings between Ta Ann Group and the parties as follows:

- a. government and public sector and their employees or officials;
- b. business entities partially or wholly-owned or controlled by government interest and their employees or officials;
- c. commercial companies and their employees; or
- d. any other third party.

5.2 Gifts, Entertainment and Hospitality

As a general rule, the Group discourages its employees and Directors from giving or accepting gifts, entertainment or other benefits which would in any way influence any business decision or gain an unfair advantage. However, this policy does not prohibit the normal business hospitality, so long as it is reasonable, appropriate, modest, and bona fide corporate hospitality, and if its purpose is to improve our company image, present our products and services, or to establish cordial relations.

Thus, the Group recognizes that entertainment, gifting and acceptance of gifts may be a legitimate custom or practice in business relationships.

The general guidelines subscribed by the Group concerning gifts, entertainment and hospitality are as follows:

Must be duly approved.

Normal business hospitality must always be approved by the top management.

Must not be intended to improperly influence.

Employees and associates should always assess the purpose of any hospitality or entertainment. Hospitality or entertainment with the intention of improperly influencing anyone's decision-making or objectivity, or making the recipient feel unduly obligated in any way, should never be offered or received. They should always consider how the recipient is likely to view hospitality. Similarly, they must also decline any invitation or offer of hospitality or entertainment when made with the actual or apparent intent to influence their decisions.

Must not have the appearance of improper influence.

Gifts can in some cases influence, or appear to influence, decision-making, for example by persuading the recipient to favour the person who made the gift over his employer. Employees and associates should think very carefully before making or receiving, gifts. No gift should be given or accepted if it could reasonably be seen improperly to influence the decision-making of the recipient.

5.2.1 Exceptions to the Gift Policy

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

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

Below exhibit few examples of situations whereby gifts may be considered to be given or accepted:

- a) Approved corporate gift presented to Senior Management/Senior Official during a courtesy visit to maintain long term relationship building.
- b) Corporate gifts given to VIP guests during a corporate event.
- c) Testing devices from Business Partners given officially through the Head of Division.

5.3 Political Contributions

Unless prohibited by any applicable laws, Company may make political contributions subject to the approval of its Board.

6. FACILITATION PAYMENTS AND KICKBACKS

The Group prohibits making or accepting, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action by an official. Kickbacks are typically payments made in return for a business favour or advantage. All employees or associates must avoid any activity that might lead to a facilitation payment or kickback being made or accepted.

If one is asked to make a payment on behalf of the Group, one must consider the purpose of the payment and whether the amount requested is proportionate to the goods or services provided. Any request for a facilitation payment should be refused unless one feels he or she is at risk of injury, of detention, or for his or her life, if he or she refuses. If one of these exceptions applies, a receipt should be obtained and the matter reported, as soon as possible, to the Company through whistleblowing procedures.

7. DONATIONS

The Group supports the making of contributions to the communities in which it does business and permits reasonable donations to charities and sponsorship as long as they are ethical and in compliance with this policy and local applicable laws. Reasonable steps must be taken to verify that any such contribution does not constitute illegal payment to a government body or official or individual in violation of this policy. No donation should be made which may, or may be perceived to breach the applicable law or any other section of this policy. Ta Ann Group has the delegation of power authorities where the respective limits are listed, and above certain limit criteria, must be approved by the top management, and the Group shall keep accurate records of all donations made by the Group of companies.

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

- Comply with Ta Ann Group's Policy.
- Contributions are allowed by applicable laws.
- Obtain all necessary authorisations.
- Be made to establish entities having adequate organisational structures to guarantee the proper administration of the funds.
- Accurately stated in the Company's accounting books and records.
- Not to be used as a means to cover up an undue payment or bribery.

8. CONFLICT OF INTEREST

Employees and associates are responsible for avoiding situations that present or create the appearance of, a potential conflict between their interests and those of the Company. A conflict of interest exists when private interests, including personal, family, social, or financial interests, interfere in any way with the performance of the employees or associates' responsibilities concerning the Group.

Disclosure of Conflicts of Interest

Employees:

Employees who are not Officers or Directors must disclose details regarding any actual or potential conflict of interest to his/her manager and must refrain from engaging in any activity, transaction or relationship that might give rise to any actual or potential conflict of interest.

Officers:

Officers must disclose details regarding any actual or potential conflict of interest to the top management and must refrain from engaging in any activity, transaction or relationship that might give rise to any actual or potential conflict of interest.

Directors:

Directors who are not Officers must disclose details regarding any actual or potential conflict of interest to the members of the Board. The Directors with the actual or potential conflict of interest shall not participate in the Board and the Board Committee's consideration of the matter. In the event the Chair of the Board or Audit Committee has the actual or potential conflict of interest, the remaining disinterested members of the Board or Audit Committee shall designate a member of the Board or Audit Committee to lead the Board or Audit Committee's consideration of the matter.

9. THIRD PARTIES

The Group can be held liable for the actions of third parties, particularly where a third party intermediary performs services or otherwise conduct dealings, discussion or negotiations with public or private organisations for or on behalf of the Group. For that reason, the Group has developed procedures for conducting appropriate risk-based due diligence on third parties, and the implementation of appropriate steps to address any identified risks, to ensure compliance with applicable anti-corruption laws. Associates must carefully follow the procedures that are established under this policy.

10. RESPONSIBILITIES OF ASSOCIATES

Associates must ensure that they have read and understood this policy and, must at all times comply with the terms and conditions of this policy.

Prevention, detection and reporting of corruption are the responsibility of all those working for us or under our control. All associates are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Any associate who breaches any of the terms of this policy will face disciplinary action, which could result in dismissal for gross misconduct. Ta Ann Group reserves its right to terminate a contractual relationship with other associates and other associated persons, as the case may be if they breach any of the terms and conditions of this policy.

11. RECORD KEEPING

The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to, and receiving payments from, third parties.

Employees and Associates must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review and/or a review from the appropriate member of the Company's Compliance team.

Employees and Associates must ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted following the Group's applicable policy and specifically record the reason for such expenditure.

Associates shall further ensure that all expense claims shall comply with the terms and conditions of this policy.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.

12. RAISING A CONCERN OR COMPLAINT

Associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If one is unsure whether a particular act constitutes bribery or corruption, one should raise the matter to his or her reporting manager or consult an appropriate member of the Compliance team. Concerns should be reported by following the procedure set out in the Whistleblowing Policy, which is available on the Group's website.

13. WHAT TO DO IF ONE IS A VICTIM OF BRIBERY OR CORRUPTION

If one is offered a bribe by a third party, or if one is asked to make a bribe, or if one suspects that he or she may be asked to commit such a violation, or if one believes that he or she or anyone else is a victim of any form of unlawful activity, he or she must comply with this policy under the whistleblowing and protection policy and guidelines.

14. PROTECTION

Employees and associates who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Group encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The Group is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

If one believes that he or she suffered any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this policy in good faith, one should inform his or her reporting manager or a member of the Compliance team of the Company immediately. If the matter is not remedied, and if one is an associate, one should raise the matter by following the procedure laid out in the Whistleblowing policy, which is available on the Group's website.

15. TRAINING AND COMMUNICATION

Dissemination of this policy for new employees shall be carried out at the time of induction. This policy will also be shared with all existing associates. If anyone has any queries about this policy, he or she should contact his or her reporting manager.

The Group's policy of zero-tolerance for bribery and corruption should be communicated to all agents, suppliers, contractors and business partners at the outset of the Group's business relationship with them and as appropriate thereafter.

16. WHO IS RESPONSIBLE FOR THE POLICY?

The board of directors has overall responsibility for ensuring this policy complies fully with the applicable laws and regulatory requirements on anti-corruption and our ethical obligations, and that all those under our control comply with it.

The board has oversight of the policy and the COO/CFO/GM are responsible for ensuring compliance with this policy. Every employee and manager is required to familiarize themselves with and comply with this policy. The head of the Human Resources Department has primary day-to-day responsibility for implementing this policy. Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this policy and, if necessary and appropriate, are given adequate and regular training on it.

17. REVIEW AND MONITORING

The head of the Human Resources Department will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvement identified will be made and incorporated into the policy as soon as possible. Internal control systems and procedures will be subject to regular audits to assure that they are effective in countering bribery and corruption.

All employees and associates are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.