



**ANTI
CORRUPTION
GUIDE**

TABLE OF CONTENTS

01

What Is this Guide About?

Page 1

04

Consequences Of The Infringement

Page 25 - 30

07

Entertainment & Corporate Hospitality

Page 43 - 46

10

Money-Laundering

Page 55 - 58

13

Record Keeping

Page 71 - 74

16

Key Take-Aways

Page 83 - 86

02

Who Is Covered by This Guide?

Page 5

05

Dealing With Third Parties

Page 31 - 36

08

Political Contributions

Page 47 - 50

11

Appropriate Conduct During Procurement Activities

Page 59 - 66

14

Whistle-Blowing & Reporting

Page 75 - 78

17

Frequently Asked-Questions

Page 87 - 94

03

Questions You May Have About Corruption

Page 9 - 24

06

Gifts

Page 37 - 42

09

Sponsorship And Charitable Donations

Page 51 - 54

12

Hiring / Recruitment

Page 67 - 70

15

Guiding Principles To Minimise The Risk Of Criminal Liability For Corruption

Page 79 - 82

01 WHAT IS THIS GUIDE ABOUT?

TM ANTI-CORRUPTION GUIDE

WHAT IS THIS GUIDE ABOUT?

TM is committed in conducting its business in an open, honest and ethical manner. TM adopts a **zero tolerance** approach to all forms of corruption. This Guide sets out the policy statements and guidelines in relation to improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. It supplements TM Code of Business Ethics – which itself contains an express prohibition on all forms of bribery and corrupt activities.

This Guide:

1. Is written to educate TM Employees and its suppliers, contractors, sub-contractors, vendors, agents, consultants, representatives, joint venture partners and others acting for or on behalf of TM, about the Company's core values and expectations, as well as the guidelines and processes that relate to corruption case handling in TM;
2. Is part of TM's commitment to adhere strictly to the relevant laws in relation to corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009 ("MACCA 2009"), the Penal Code(Act 574) ("Penal Code") and the Anti-Money Laundering And Anti-Terrorism Financing Act 2001 ("AMLA 2001"), which are directly relevant to TM, as a company;

For the purpose of this Guide :

- a) TM shall include TM and its subsidiary Companies; and
 - b) TM Business partners, suppliers, contractors, sub-contractors, vendors, agents, consultants, representatives, joint venture partners and others who are acting for or on behalf of TM and whom shall be referred to as "TM Business Partners".
3. Provides examples of situations and hypothetical questions to help TM Employees and TM Business Partners understand the definition, description and actions required if they encounter any issues related to bribery and corruption; and
 4. Is intended to serve as a preventive tool to help TM Employees and TM Business Partners recognise, detect and avoid potential corrupt practices.

02 WHO IS COVERED BY THIS GUIDE?

TM ANTI-CORRUPTION GUIDE

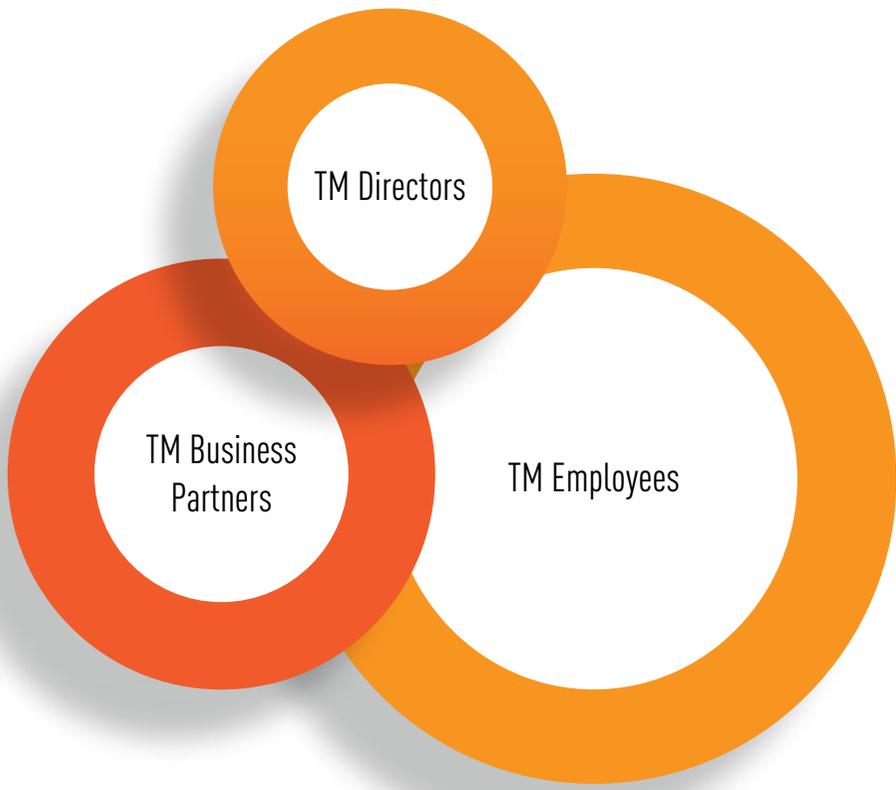
WHO IS COVERED BY THIS GUIDE?

This Guide applies to:

- TM Directors
- TM Employees, that consists of:
 - i. TM permanent and contract staff
 - ii. TM leasing and temporary staff
 - iii. TM trainees and interns
- TM Business Partners

TM expects its Business Partners to strictly adhere to this Guide where it is relevant to their relationship, services and/or products provided to TM.

TM Employees must strictly adhere to and comply with this Guide. The respective supervisors are responsible to ensure that their subordinates read, understand and comply with this Guide at all times.



03 QUESTIONS YOU MAY HAVE ABOUT CORRUPTION

TM ANTI-CORRUPTION GUIDE

QUESTIONS YOU MAY HAVE ABOUT CORRUPTION

- 3.1 WHAT is corruption?
 - 3.1.1 Definition
 - 3.1.2 Examples
 - 3.1.3 Form of corruption

- 3.2 WHY do we have to avoid corruption?
 - 3.2.1 Compliance
 - 3.2.2 Risk

- 3.3 WHO is responsible to prevent corruption?
 - 3.3.1 Board of Directors
 - 3.3.2 Management
 - 3.3.3 All Employees
 - 3.3.4 Business Partners

- 3.4 Where can we refer for provisions relating to corruption?
 - 3.4.1 Malaysian Laws
 - 3.4.2 TM Policies & Guidelines



TM ANTI-CORRUPTION GUIDE

3.1 WHAT IS CORRUPTION?

3.1.2 EXAMPLES

- **Examples of gratification**

Money, donations, gifts, loans, facilitation fee, rewards, position, title, etc.

- **Illustration**

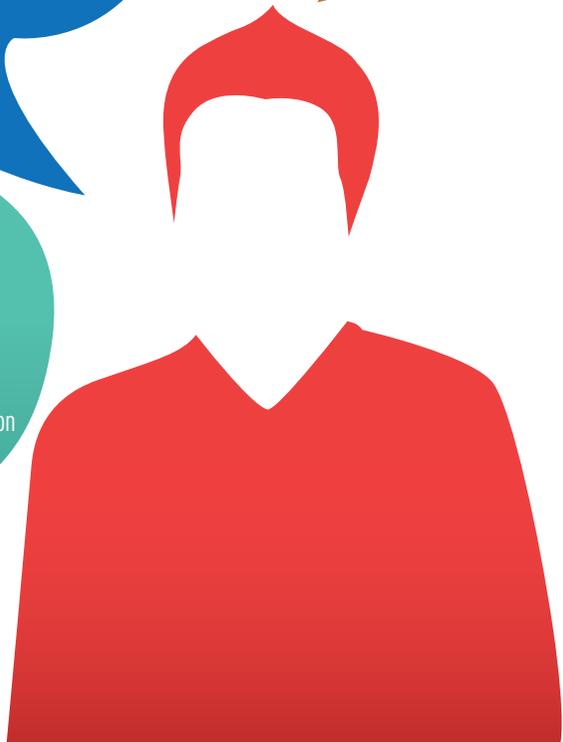
A contractor provides a gift in the form of an expensive watch to a TM Employee in order to help him obtain early information on a project that TM will be launching.

3.1.1 DEFINITION

Corruption is the act of giving or receiving of any gratification or reward in the form of cash or in-kind irrespective of value for performing a task in relation to one's job description.

3.1.3 FORMS OF CORRUPTION

- Bribery
- Embezzlement
- Collusion/Bid-Rigging
- Abuse of Power
- False Claim
- Disclosure of Confidential Information



TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

TM Directors, Employees and Business Partners are required to comply with the following:

- i. Gratification must not be offered, promised, paid, requested, agreed to or accepted.
- ii. Unless otherwise indicated in TM Business Policy & Governance (“BPG”), TM does not make political donations (whether to individuals, political parties or other political organisations, either in Malaysia or overseas). Any political donations made on behalf of TM by TM Employees will be deemed as a violation of this guideline and other relevant TM internal policies.
- iii. Disciplinary action will be taken against TM Employees who breach this Guide. This includes the sanction of summary dismissal in cases where staff pays or receives bribes. Similar action will also be taken against TM Business Partners performing services for TM who fail to abide by this Guide or equivalent anti-corruption standards, which includes termination of TM’s relationship with them.
- iv. TM encourages all TM Employees to report any corruption concerns immediately and will support employees that do so. All reporting will be handled sensitively and TM is committed to ensuring that adequate protections are granted to TM Employees that reports a corruption concern in good faith.
- v. A deliberate failure to report suspicions of corruption or to conceal corrupt acts by others will also be subject to disciplinary action.
- vi. Third parties who have, or who are suspected of committing corrupt practices should not be engaged to work for TM.
- vii. Any malicious, willful or deliberate misreporting or suspicion of corrupt acts shall be treated as a disciplinary matter, and handled through TM internal policies governing the matter.

TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

- vii. In the event that you have been solicited for facilitation payment, and you are not sure as to the validity of an official's request for a payment, the steps below should be followed:
- if possible, immediately contact your line manager or supervisor
 - ask the official for proof of the validity of the fee
 - request that a receipt be provided confirming the validity of the payment
 - if no proof of validity are provided, politely decline to make the payment and explain that you are not able to make the payment because of the company's policy and anti-bribery laws
 - if possible ask to see the official's supervisor
 - make a full note of the request, the circumstances and the parties involved
- ix. Exceptions for the abovementioned provisions include, if deemed necessary, to protect life, limb or liberty. Nonetheless, TM Employees and Business Partners are required to report immediately to TM Management and the relevant authority (ies).

TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

a) Bribery

Definition

A bribe can be any type of benefit. It can be a cash payment, or it can be in the form of a gift, entertainment, giving a donation or property, paying for a holiday, providing the promise of future employment, or titles (e.g. Dato', Tan Sri). Payment made to secure or expedite the performance by a person performing a routine or administrative duty or function is also deemed as bribery.

How?

An offence of bribery is committed when a person (whether directly or through another person or organisation) offers, gives, requests or receives a benefit with the intention or knowledge that the benefit will be used to induce someone to perform a dishonest act.

Illustrations

- i. A Manager who has access to confidential information pertaining to a project, requests for a cash payment from a supplier in return for disclosing such confidential information.
- ii. A Bank Officer promises a holiday package to TM's investment officer who has the authority to decide on fund investment on behalf of TM, if he manages to secure a deal with TM.
- iii. A TM Outlet staff requests for a "fee" from a customer to expedite the processing and installation of UniFi at the customer's premise.
- iv. A Project Manager imposes a charge to expedite the issuance of a 'Certificate of Acceptance' to a contractor.
- v. A contractor pays a sum of cash to a TM Employee to expedite remittance of payment.

TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

b) Collusion/Bid-Rigging

Definition

Collusion occurs where two or more parties co-operate to defraud or deceive another party. This is a type of fraud and is often described as a “cartel”, “anti-trust” or “anti-competitive” offence.

An example of collusion is where bidders fraudulently collude in order to arrange for a particular bidder to win a contract and at a certain fixed price. This form of collusion is often referred to as “bid-rigging”. Bid rigging is an offence under the Competition Act 2010 (Section 4(2)). These arrangements will usually result in a higher price to the client.

Illustrations

- i. Company A, B and C agreed to submit tender responses for a TM tender. Company A and B agree to bid for prices higher than C. Company C submits the bid at a lower price, that is pre-agreed by all 3 companies. When C is awarded with the tender, the profit is shared between the 3 companies.
- ii. Companies conspire with each other to control the price ceiling for a TM project tender so that TM has limited options to select companies based on competitive price.

TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

c) Abuse of Power

Definition

Abuse of power occurs where someone abuses a position of trust for the purposes of illicit gain. Abuse of power is often a separate criminal offence. However, it may also constitute bribery or fraud.

Illustrations

- i. A TM Head of Division instructs his divisional purchasing officer to purchase office supplies from a company that belongs to his brother.
- ii. A HR Manager bypasses the proper hiring process when hiring his relative for a position in TM.
- iii. A member of a procurement approval committee accepts a bribe to influence the award of a contract.
- iv. A supervising engineer solicits a bribe from a TM contractor in order to certify certification of completion upon request from the contractor even though the project is faulty.

TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

d) Embezzlement

Definition

Embezzlement is a form of theft. It occurs where someone dishonestly appropriates money or other assets with which he has been entrusted.

Illustrations

- i. A TM Employee managing TM Outlet uses daily cash collection for personal expenses.
- ii. A TM Employee provides false information on the register of company supplies and diverts two drums of new and unused cable to be sold off as scrap items and pockets the proceeds.
- iii. A TM Employee responsible to manage petty cash uses the money to buy his personal items.

TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

e) False Claim

Definition

Dishonestly obtaining the property of another by some deception or misrepresentation of fact e.g. any person providing documents such as receipts or invoices that are false or contain false details with the intention of deceiving the principal

Illustrations

- i. A TM Employee makes false claim for overtime or entertainment allowance.
- ii. A TM Employee falsely records the number of used batteries returned to the Malaysia Logistic warehouse and sells the unrecorded items to earn extra cash.
- iii. A Project Manager falsifies records of purchasing.
- iv. A company falsifies its financial records to qualify for a tender.

TM ANTI-CORRUPTION GUIDE

FORMS OF CORRUPTION

f) Unauthorised Disclosure of Confidential Information

Definition

Unauthorised use of TM's proprietary information by TM Employees and TM Business Partners.

Illustrations

- i. A procurement officer who is managing an on-going TM project/tender discloses one of the tenderers' proposals with another company that is also interested to participate in the same tender.
- ii. A TM Employee leaks confidential information of a TM high-profile project as early information to a potential supplier so that the supplier can provide a proposal that meets all specifications and budget of the project.
- iii. A TM Employee who has information on a project provides information to his 'relatives' or 'friends' company' to bid for the project. He has a silent interest in the company.

TM ANTI-CORRUPTION GUIDE

3.2 WHY do we have to avoid corruption?

3.2.1 Compliance

Comply with relevant laws in relation to corruption including but not limited to the:

- Malaysian Anti- Corruption Commission Act 2009 (“MACCA 2009”)
- Penal Code (Act 574) (“Penal Code”)
- Anti-Money Laundering And Anti-Terrorism Financing Act 2001 (“AMLA 2001”)

3.2.2 Risk

Risk to you

- Criminal liability and possible fine or imprisonment
- Civil liability and payment of damages
- Loss of reputation
- Loss of employment
- Dismissal from membership of any professional association of which you are a member.

Risk to TM

- Criminal liability and possible fine
- Civil liability and payment of damages
- Loss of reputation
- Loss of business
- Debarment from projects
- Financial loss

TM ANTI-CORRUPTION GUIDE

3.3 WHO is responsible in preventing corruption?

3.3.1 Board of Directors

- Promote good governance
- Do not condone improper practice of the company, if any
- Give assurance on whistle-blowing protection

3.3.2 Management

- Ensure subordinates understand and comply with TM's existing policies and Malaysian laws
- Provide adequate training and exposure
- Do not condone improper practice of the company, if any

3.3.3 All TM Employees

- Understand and comply this Guide
- Do not condone improper practice of the company, if any
- Raise red flags
- Report cases via whistle-blowing channel

3.3.4 Business Partners

- Understand and comply with this Guide
- Do not condone improper practice of the company, if any
- Report cases via whistle-blowing channel

TM ANTI-CORRUPTION GUIDE

3.4 Where can we refer for provisions relating to anti-corruption?

3.4.1 Malaysian Laws

MACCA 2009

The main 4 offences under the Act:

- Soliciting and accepting bribe
- Accepting or giving bribe
- False claim
- Abuse of position/office

AMLA 2001

- Under Section 4 (1) of the Act, whoever launders his property which comes from illegal activities such as bribery, criminal breach of trust, and false claim is deemed to have committed an offence.

Penal Code [Act 574]

The relevant provisions relating to corruption under the Act:

- a. Sections 161-165 are offences relating to public servants taking gratification other than legal remuneration in an official capacity.
- b. Sections 213-215 dwell on the giving and receiving of gratifications for the purpose of preventing or concealing from any punishment or legal action.
- c. Section 165 deals with public servants obtaining valuable items from official clients.

TM ANTI-CORRUPTION GUIDE

3.4 Where can we refer for provisions relating to anti-corruption?

3.4.2 TM Internal Policies

Code Of Business Ethics

The relevant provisions relating to corruption under the Policy:

a. Provision 6.6: Gratification

- A supplier shall not offer and/or give to any director or employee of TM any gratification.
- Employee or Director shall not solicit or make any attempt to obtain any gratification.

b. Provision 10.4: Anti-Corruption Laws

- TM shall comply with the anti-corruption laws of the countries in which it does business.
- All Directors and Employees must not directly or indirectly offer or make corrupt payments to government officials, including employees of government-owned enterprises.

Procurement Ethics Rules and Practices

The Procurement Ethics Rules and Practices focuses on three key tenets of ethical conduct:

- Zero tolerance on corruption;
- No or transparent conflicts of interest; and
- Honest representation of capabilities

04 CONSEQUENCES OF THE INFRINGEMENT

TM ANTI-CORRUPTION GUIDE

CONSEQUENCES OF THE INFRINGEMENT

4.1 WHO MAY BE LIABLE FOR CORRUPTION

Those directly involved

Any individual who is directly involved in committing any corrupt practices will be liable for the offence.

Example:

A TM Employee requests a bribe from a TM Business Partner.

Those in authority

A person in authority expressly authorised the offence or that type of offence, or knew of the offence and either consented to it or turned a blind eye to it.

Example:

A TM Head of Division keeps quiet on false overtime claim by his subordinates and does not do anything to prevent or correct the situation.

Individual Liability

Those indirectly involved

An individual may be liable where he has used another person to act on his behalf.

Example:

A TM Business Partner requests its sub-contractor to bribe a TM Employee for a contract award.

Aiding & abetting

An individual may also be liable for the offence of aiding and abetting where he has somehow facilitated the committing of the offence.

Example:

TM Head of Division gives consent for subordinate to request bribe from a TM Business Partner.

TM ANTI-CORRUPTION GUIDE

CONSEQUENCES OF THE INFRINGEMENT

4.1 WHO MAY BE LIABLE FOR CORRUPTION

Through the acts of its agents

Through the corrupt act of an individual or company who has been appointed to act on its behalf and where the corrupt act is committed in the course of that appointment.

Example:

JKH contractor pays bribe to a local authority for way leave permission to lay down cable on behalf of TM.

Through the acts of its employees

Through the corrupt act of an employee (whatever his position) if the employee was acting within the course of his employment.

Example:

A TM Employee gives bribe to a government official to influence the decision of spectrum license award for TM.

Corporate Liability

Through the acts of its related companies or business partners

A company could be liable for a corrupt act committed by a subsidiary or associated company, joint venture or consortium partner, sub-contractor or supplier, where that corrupt act could benefit the company's business.

Example:

TM Subsidiary gives commission to a client procurement officer for awarding contract to the company.

“Turning a blind eye”

A party in authority (such as an officer or manager of a company) suspects corruption in relation to a business transaction in which the company is involved, but deliberately refrains from making further inquiries and taking preventive steps.

Example:

TM Senior Management receives allegation of corruption but decided not to proceed with investigation as it involves a top ranked officer in the company.

TM ANTI-CORRUPTION GUIDE

CONSEQUENCES OF THE INFRINGEMENT

4.2 PENALTIES & PUNISHMENT

TM Employees and Business Partners are responsible to comply with all applicable laws and policies of the Company.

Violation of the laws which includes but not limited to the MACCA 2009, Penal Code and AMLA 2001 shall be punishable with imprisonment or fine or both under the respective Acts.

Any breach of TM policies could result in the following disciplinary actions:

- i. Written warning
- ii. Suspension without salary up to 7 days.
- iii. Withholding of salary increment up to 1 year
- iv. Demotion
- v. Summary Dismissal
- vi. Lesser punishment other than i-v

For TM Business Partners, any breach of TM policies could result in the following punishment:

- i. Written warning
- ii. Suspension
- iii. Termination
- iv. Blacklist
- v. Claim for damages

05 DEALING WITH THIRD PARTIES

TM ANTI-CORRUPTION GUIDE

DEALING WITH THIRD PARTIES

5.1 THE GENERAL RULES

- TM expects that all parties acting for or on its behalf to share the Company's values and ethical standards as their actions may implicate TM legally and tarnish TM's reputation.
- TM's dealings with third parties, which include its Business Partners, government intermediaries, introducers etc., must be carried out in compliance with all relevant laws and must be consistent with the values and principles of the CBE. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.
- When dealing with third parties, we must conduct appropriate counterparty due diligence to understand the business and background of TM's counterparties before entering into any arrangements to ensure that they subscribe to acceptable standards of integrity in the conduct of their business.

5.2 DEALING WITH PUBLIC OFFICIALS

- 'Public or government officials' include, without limitation to, candidates for public office, officials of any political party and officials of state-owned enterprises other than TM.
- Providing gifts, entertainment or corporate hospitality to public officials or their family/household members is generally considered a 'red flag' situation.
- If approval is obtained for you to provide gifts, entertainment or corporate hospitality to public officials, you must ensure that the gifts, entertainment or corporate hospitality is not excessive or lavish, and must commensurate with the official designation of the public official and not in his personal capacity.
- You must also be aware of local laws governing the activity and to ensure compliance.

5.3 TM EMPLOYEES AS PUBLIC OFFICIALS

- Under the MACCA 2009, TM Employees may be considered as public officials because TM shares are directly or indirectly owned by the Government.
- To prevent violation of law and underscore our commitment to ethical behavior, you should always abide by TM's policies and provisions in relation to gifts, entertainment and corporate hospitality.
- You are strictly prohibited from accepting gifts, entertainment or corporate hospitality that are excessive, lavish, inappropriate, illegal, or given to influence a business decision or with an understanding that, in return, some desirable outcome may be expected.
- Refer to Chapter 6: TM Gift Policy at Page 29 for more information

TM ANTI-CORRUPTION GUIDE

DEALING WITH THIRD PARTIES

Do's And Don'ts When Dealing With Third Parties

DO's

- Choose TM Business Partners in accordance with the principles of competition i.e. on the basis of the price, quality, and suitability of their services.
- Immediately reject any attempt by TM Business Partners to dishonestly influence the placement of an order by offering, promising or conferring personal advantage.
- Undertake due diligence on potential TM Business Partners and suppliers before engaging in business with them.
- Make known to TM Business Partners of any relevant TM anti-corruption obligations and policies.
- Express clearly in the contract of any fees or other compensation with respect to contractual service. The fees should be proportionate to the services provided.
- If you have any conflict of interest in a TM tender and you are in the evaluation or approval committee, you should immediately declare when you are aware of such conflict and physically abstain from any related discussions and meetings.

DON'Ts

- Make any attempt at dishonestly influencing customer's decisions by offering, promising or conferring personal advantage.
- Exert improper influence on government officials or any third party doing business with TM.
- Directly or indirectly offer, make promise or corrupt payments, in cash or in kind to government officials, including of government-owned enterprises
- Engage in any entertainment, gift-giving, or similar exercise with any official or other person involved during tender process.
- Be involved in any discussions regarding business or employment opportunities, which could be for own personal benefit or for the benefit of any third party during an active or anticipated procurement involving TM.

TM ANTI-CORRUPTION GUIDE

DEALING WITH THIRD PARTIES

5.4 RED FLAGS WHEN DEALING WITH THIRD PARTIES

1. Get promises of cash payments.
2. Pressure exerted for payments to be made urgently or ahead of schedule.
3. Payments are being made through a company in country 'B' though goods or services are supplied to different company in country 'A'.
4. Abnormally high commission percentage being paid to a particular agency. This may be divided into 2 accounts for the same agent, often in different jurisdictions.
5. Unsanctioned private meetings with public contractors or companies hoping to tender for contracts.
6. Lavish gifts being offered.
7. Individual that never takes time off even if ill, or during holidays, or insists on dealing with specific contractors him/herself.
8. Making unexpected or illogical decisions when accepting projects or contracts.
9. Unusually smooth process of cases where individual does not have the expected level of knowledge or expertise.
10. Abusing decision process or delegated powers in specific cases.
11. Agreeing to contracts not favorable to the organisation.
12. Unexplained preference for certain contractors during tendering period.
13. Avoidance of independent checks on tendering or contracting processes.
14. Raising barriers around specific roles or departments which are key in the tendering/contracting process.
15. Bypassing normal procurement process and procedure.
16. Invoices being agreed in excess of contract without reasonable cause.
17. Missing documents or records regarding meetings or decisions.
18. Company procedures or guidelines not being followed.
19. The payment of or making funds available for, high value expenses or school fees etc. on behalf of others.
20. Knowingly dealing with a customer or government official that has personal, business or family relationship with vendor.

TM ANTI-CORRUPTION GUIDE

DEALING WITH THIRD PARTIES

5.4 RED FLAGS WHEN DEALING WITH THIRD PARTIES

21. A customer or government official recommends or insists on the use of the transaction party.
22. Transaction party refuses to agree to anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information.
23. Transaction party has a poor business reputation or has faced allegations of bribes, kickbacks, fraud or other wrongdoing or has poor or non-existent third-party references.
24. Transaction party does not have office, staff, or qualifications adequate to perform the required services.
25. Expense or payment request is unusual, is not supported by adequate documentation, is unusually large or disproportionate to services to be rendered, does not match the terms of a governing agreement, or involves the use of cash or bearer instrument.
26. Expense or payment request is described as required to “get the business” or “make the necessary arrangements.”

06 GIFTS

TM ANTI-CORRUPTION GUIDE

GIFTS

6.1 TM GIFT POLICY

- TM Employees and Directors, family members or agents acting for or on behalf of TM Employees or Directors or their family members are prohibited from, directly or indirectly :
 - i) receiving gifts from TM Business Partners or any third parties that have dealings with TM ;
 - ii) providing gifts to third parties that have business dealings with TM
- This is to avoid conflict of interest or the appearance of conflict of interest for either party in the ongoing or potential business dealings between TM and external parties, as gift can be seen as bribe that may tarnish TM's reputation or be in violation of anti-bribery and corruption laws.
- TM Employees and TM Directors are to refuse or return gifts received from third parties.

6.2 PROVIDING GIFT

- Generally, TM Employees are not allowed to provide gifts to third parties unless it is in accordance with the Corporate & Premium Gifts Guidelines.
- TM prohibits the giving of gifts and/or use of TM resources for purposes that are :
 - a) illegal or unduly dangerous;
 - b) indecent or immoral;
 - c) inconsistent with TM's commitment to respect and care; and/or
 - d) intended to improperly influence any person to take action in favour of TM or otherwise.

TM ANTI-CORRUPTION GUIDE

GIFTS

6.3 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 official company visit/courtesy call, and the gift is treated as a company asset).
- b) Gifts from company to external institutions or individuals in relation to the company's official functions, events and celebrations (commemorative gifts or door gifts offered to all guests attending the event).
- c) Gifts from TM 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 an Employee's service to TM - Kristal Award).
- d) Token gifts of nominal value normally bearing TM company'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 the company'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 TM (e.g. monetary gifts or gifts in kind to charitable organisations).

6.4 EXAMPLES OF SITUATIONS WHERE GIFTS MAY BE CONSIDERED TO BE GIVEN/ 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 guest during a corporate event.
- c) Testing devices from TM Business Partners given officially through the Head of Division.

TM ANTI-CORRUPTION GUIDE

GIFTS

Do's And Don'ts With Regards To Gifts

DO's

- You must inform third parties involved in business dealings with TM on the Gift Policy and they must respect and adhere to the Company Policy.
- Before accepting any gift, you must comply with the CBE and this Guide.
- For any gift received, immediately fill in the Gift & Entertainment Reporting Form and submit it to the Head of Division for his/her decision on the treatment of the Gift.
- TM Head of Division must exercise proper care and judgment in determining the appropriateness of the gift.
- Employees must submit the Gift & Entertainment Report Form to his/her Head of Division who will then decide whether to approve the acceptance of the gift or require the gift to be returned.

DON'Ts

Offer or accept the following:

- Cash as gift;
- Gifts that are intended as a bribe;
- Any gifts prohibited by the organisation for which the recipient of the offer works;
- Gifts in the form of services or other non-cash benefits, such as the promise of employment;
- Gifts relating to some actual or anticipated business with the recipient, particularly in a competitive context;
- Any other gift where there is a risk or perception that it improperly influences or might be misconstrued as a reward, an inducement or other corrupt act;
- Any gift that the recipient is not entitled to receive under the laws of the recipient's country;
- Gifts that contravene any rules applying to the individual to whom the gift is offered (i.e. any policy that another organisation has in place) or any laws applying to that.
- Any gift where there have been any unjustifiable 'add-ons'.

07 ENTERTAINMENT & CORPORATE HOSPITALITY

TM ANTI-CORRUPTION GUIDE

ENTERTAINMENT & CORPORATE HOSPITALITY

Entertainment and hospitality can include any attendance at social events, functions, or other occasions, business lunches and drinks or dinners, whether they include business purposes or not and whether received or offered.

TM Directors and Employees must not demand for themselves or for others invitations to meals and events, presents, other payments, personal services or favours from the Business Partners.

TM Directors and Employees may take part in events paid for by a third party if:

- They are part of relationship building (customer engagement);
- They are business-related and the participation, in the particular situation, is in the interest of TM;
- The host also participates in the event;
- Levels of common business practice are not exceeded; and
- Participating in the event may not improperly influence business decisions.

7.1 EXAMPLES OF SITUATIONS WHERE CORPORATE HOSPITALITY MAY BE CONSIDERED TO BE PROVIDED/ACCEPTED

- a) Provide travel arrangements and meals that are not lavish for officers of the public body during an official site visit to TM's Network Operation Centre.
- b) Participating in a corporate golf tournament hosted by a Ministry to maintain long term relationship.

TM ANTI-CORRUPTION GUIDE

ENTERTAINMENT & CORPORATE HOSPITALITY

Do's And Don'ts With Regards To Entertainment & Corporate Hospitality

DO's

- Have justifiable business purpose.
- Be given openly. You should never attempt to hide such activities or the circumstances surrounding the activities from anyone.
- To be exercised in good judgment in choosing entertainment that does not jeopardise the reputation or interests of TM, its employees or customers.
- Only be paid for those invitees whose participation is directly related to and necessary for TM's legitimate business purposes.
- Be treated with extra care especially in providing gifts, meals, entertainment or travel to Government where specific Government restrictions must be checked and not be breached.
- Get approval for:
 - Any hospitality or entertainment where there is potential conflict of interests.
 - Any hospitality or entertainment where there is any risk that it might be misconstrued as improperly influencing.
 - Approval from Group Chief Procurement Officer is required for travel-related sponsorship whereby it is part and parcel of a requirement spelt out in an existing contractual obligation between a supplier and TM.

DON'Ts

- Providing money to the invitees to make their own meal, entertainment or travel arrangements.
- Hospitality that is related to some actual or anticipated business with the recipient, particularly in a competitive context.
- There should be no add-ons to approved or permitted hospitality, such as inappropriate overnight accommodation, travel costs, or sundry or lavish expenses.
- No hospitality should be accepted or offered if it could be perceived to be lavish, improper, excessive or not in proportion to the recipient e.g. spa treatments, massages, liquor etc.
- Any hospitality that contravenes any rules applying to the individual to whom the hospitality is offered (i.e. any policy that another organisation has in place) or any laws applying to that other person.
- Officials to avoid the appearance that the activity was meant to obtain special treatment by someone in a position of public trust.
- No side trips unrelated to the promotion of TM's product or services, if travel is provided to counterparty or potential counterparty.

08 POLITICAL CONTRIBUTIONS

TM ANTI-CORRUPTION GUIDE

POLITICAL CONTRIBUTIONS

As specified under the CBE, TM does not make or offer political contributions whether monetary or in-kind to political party officials or candidates for public office unless it is being approved by TM Board of Directors or TM GCEO. This provision is set out in Section 10.2 of the CBE.

TM Employees may choose to make personal political contributions as appropriate within the limits established by local laws of their respective jurisdictions. TM Employees must however make it clear that their political affiliations are those of their own.

Do's And Don'ts With Regards To Political Contributions

DO's

- Be aware and educate yourself with all applicable laws and regulations that may prohibit or restrict companies from getting involved in political activities, make political contributions or engage in lobbying activities.

DON'Ts

- Make a contribution to a political party or candidate on behalf of TM, or use Company funds for a donation or contribution to a political party or individual political campaign.
- Make payments, whether in cash or in-kind, to political parties, party officials or political candidates for the purpose of obtaining, retaining, or directing business to TM. In-kind contributions include participation in political campaigns during paid working hours and use of administrative support, company facilities, equipment, and supplies.

09 SPONSORSHIP AND CHARITABLE DONATIONS

TM ANTI-CORRUPTION GUIDE

SPONSORSHIP AND CHARITABLE DONATIONS

Requests for sponsorship and charitable donations can sometimes mask corrupt activity. No charitable donations should be made if these could be construed as improperly influencing another party with whom TM has a business relationship.

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

- Comply with TM Sponsorship Management Guidelines and TM Event Management Guidelines.
- Contributions are allowed by applicable laws.
- Obtain all necessary internal and external authorisations.
- Be made to establish entities having adequate organisational structures to guarantee proper administration of the funds.
- Accurately stated in the Company's accounting books and records.
- Not to be used as a mean to cover up an undue payment or bribery.

TM ANTI-CORRUPTION GUIDE

SPONSORSHIP AND CHARITABLE DONATIONS

Do's And Don'ts With Regards To Sponsorship And Charitable Donations

DO'S

Sponsorship

You may need to check and ensure that a sponsorship should:

- Meet the criteria for the award of donations/ sponsorship and communicate the activities, as specifically indicated in the TM Communication Policy.
- Be objective and should not be based solely on personal preference of the company's directors, officers, and employees.
- Conduct due diligence, especially pertaining to the public activity and background of potential beneficiaries.

Charitable Donations

- Obtain authorisation from the Group Brand & Communication before committing any donation, contribution and sponsorship.
- All requests must go through Group Brand & Communication at Group Level and CEO at subsidiary level for evaluation and approval.
- All donations of any kind must be transparent.
- In any instance of charitable giving there must be an accurate receipt or letter of acknowledgement for any donation.

DON'Ts

- Make charity to win a business deal.
- Give money or donation to an individual.
- Using the name of a charitable organisation on the pretext to obtain sponsorship.

10 MONEY-LAUNDERING

TM ANTI-CORRUPTION GUIDE

MONEY-LAUNDERING

Money laundering is a crime in origin where money or assets are hidden in legitimate business dealings or when legitimate funds are used to support criminal activities including the financing of terrorism.

Impacts:

- i. Serious crimes and the laws governing these types of crimes have extra territorial effect i.e. the application of law can extend beyond local borders.
- ii. The penalty for breaching anti-money laundering law is severe and can include extradition and incarceration in foreign jurisdictions.

Illustrations:

A customer indicates that he intends to overpay TM on an invoice and requests that the extra money to be wired to his accounts.

Penalties and punishments:

If convicted, a person can be liable to a fine not exceeding five million ringgit, or to imprisonment for a term not exceeding five years or both.

11 APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

TM ANTI-CORRUPTION GUIDE

APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

All persons involved in sourcing process (example Tender, Quotation) shall be required to observe high ethical standard, conduct and self-integrity. This is important to uphold the Company's reputation and ensuring the sourcing process is conducted in a fair and ethical manner with proper governance and transparency in place. This Do's and Don'ts, to the extent of its applicability, shall be relevant to TM Employees as well as Business Partners during the sourcing process, to eradicate potential unethical conducts which may lead to corruption.

TM ANTI-CORRUPTION GUIDE

APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct
During Procurement Activities

For TM Business Partner

DO's

- Keep confidentiality of all proprietary information and documentations related to tender and/ or contract.
- Abide by TM's Code of Business Ethics, Procurement Ethics and any other TM policies and procedures applicable during the tender/ quotation process and/ or the execution of a formal agreement and its implementation.
- Honour the submitted proposal to TM and not changing or make any attempt to change the submitted proposal or to impose additional terms after the submission.
- Ensure the statement made in the submission is correct with no intention to manipulate it after the award.
- Ensure that, by submitting the proposal, they actually have an intention to enter into the contract if awarded by TM.
- Abide with the Terms and Conditions as stipulated in tender documents and uphold clauses in the Integrity Agreement with TM.

TM ANTI-CORRUPTION GUIDE

APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct During Procurement Activities

For TM Business Partner

DON'Ts

- Offer or make any gift, payment, loan, reward, inducement or benefit which can lead to bribery of any of TM's Employees, members of the Board of Directors, agents and representative.
- Collude with any bidders, suppliers or individuals.
- Canvassing, lobbying or making public advertisement of the offered Equipment/Services or part thereof by the Tenderer, his employee, agents or any other person(s) instructed by the Tenderer to influence the decision of the Tender Board or Board of Directors of TM or TM's Management or any persons involved.
- Make false or misleading claims or statements, or request assistance from TM's personnel in the preparation of his Proposal.
- Change the proposal submitted after the submission.
- Make any attempt to influence TM Employees during tender evaluation process.
- Divulge or disclose any information, oral or written, to a third party without the prior written approval of TM.
- Seek any type of information in any form whatsoever from TM or TM Employees in relation to the tender process and its outcomes beyond any information formally communicated by TM representatives through the Tender document, Tender briefings, Tender clarifications and negotiations.
- Refuse to sign and fail to execute the formal Contract or to fully comply with all the conditions precedent to an award in accordance with the Conditions of Tendering and the Terms and Conditions of Agreement within the period stipulated therein, or fails to proceed with the Works after the whole or part of his Tender has been accepted.
- Imposed additional terms, conditions or stipulations after the closing date fixed for the submission of the Tender.
- Withdraws the whole or part of his Tender before the expiry of the Tender Validity Period or any extended period thereof and when a decision has been made.

TM ANTI-CORRUPTION GUIDE

APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct During Procurement Activities

For TM Employees

DO's

- Observe confidentiality of all proprietary information and documentation relating to the tender and/or contract in strictest confidence.
- Report to TM's Management or relevant authority in the event that there are any bidders or suppliers who offer, give, agree or promise to give any money, goods or services or any form of gratification.
- Abide with TM's Code of Business Ethics, Procurement Ethics and any other TM policies applicable during the sourcing process.
- Ensure that the information shared with Business Partners are limited to information which is usually shared during briefing, clarification or negotiation.
- Ensure that the Business Partners are chosen based on merit and to avoid conflicts of interest, inappropriate gifts and entertainment or any other kind of favoritism that might compromise the selection process.
- Seek to conduct business dealings with Business Partners who have complied with TM's requirements and who act in a manner that is consistent with TM's commitment to comply with the ethics as outlined in this Procurement Ethics.
- Declare if there are any relatives and related parties who have participated in specific sourcing activities and self-abstain from participating in the particular tender evaluation or quotation committee and further proceed to leave the meeting room after declaring your interest.

TM ANTI-CORRUPTION GUIDE

APPROPRIATE CONDUCT DURING PROCUREMENT ACTIVITIES

Do's And Don'ts With Regards To Appropriate Conduct During Procurement Activities

For TM Employees

DON'Ts

- Receive or obtain or agree to receive or obtain goods or services or gratification as a consideration or reward for the decision, opinion, recommendation, vote or other favors to be selected in the aforementioned tender/quotation.
- Accept kickback/commission: payment received in return for influence or control over a business transaction or guarantee of contract award.
- Give or share one supplier's confidential business information (proposed rates, winning bid information, etc.) to other suppliers.
- Acknowledge Business Partners' act or attempt in influencing or giving priority to their proposal compared to others.

What to do?

If you face any of the situations which should be avoided as above, it is your responsibility to :

1) Escalate to TM's Ethics Line

Or

2) Escalate to General Manager Strategic Sourcing in Group Procurement for the purpose of reporting to the tender Approval Authority (Example: JPPs). The Approval Authority Shall Make decision on consequence/action to be taken against the supplier

12 HIRING/RECRUITMENT

TM ANTI-CORRUPTION GUIDE

HIRING/RECRUITMENT

- For new hiring, GHCM may need to conduct background check of the new personnel for any corruption charge or violations.
- A public official or third party may attempt to influence the hiring process by asking TM Directors or TM Employees to help find a job for a relative or friend or may seek employment by promising or giving improper benefits. Such actions should be disclosed immediately to the appropriate person within the company (e.g. General Manager, HR manager).

13

RECORD KEEPING

TM ANTI-CORRUPTION GUIDE

RECORD KEEPING

- As a Company, we must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to any TM Business Partners (such as anyone who provides services for or on our behalf).
- You must ensure all expenses claims relating to hospitality, gifts or expenses incurred for TM Business Partners are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- All accounts, invoices and other records relating to dealings with TM Business Partners should be prepared and maintained accurately and with completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

14 WHISTLE-BLOWING & REPORTING

TM ANTI-CORRUPTION GUIDE

WHISTLE-BLOWING & REPORTING

- Supporting our **zero-tolerance** policy towards anti-corruption means we expect all TM Directors, TM Employees and Business Partners to comply with this policy seriously and encourage others to do the same.
- As a Company, we encourage all staff to report any concerns about corruption that they encounter and make sure that suspicious behavior does not go unchallenged.
- It is therefore important that if you suspect any TM Employee or others working on our behalf may have or is about to engage in any corrupt practices, or if you are approached by any other person who attempts to persuade you to engage in any practices as described, then you should report it immediately.
- TM Employees should be assured that reporting of any concerns will be handled sensitively. You should report any suspicion of corruption to Special Affairs Unit, Group Human Capital Management (GHCM) or to your Superior. Alternatively, if you feel more comfortable, to TM Ethics Line.

GENERAL GUIDANCE AND CONTACTS

(a) Chief Human Capital Officer

Tel : 03-2240 1240 Fax: 03-7956 1877

(b) Chief Internal Auditor

Tel : 03-2240 1991 Fax: 03-7955 6235

**(c) Chief Legal, Compliance &
Company Secretary**

Tel : 03-2240 6782 Fax: 03-2240 6791

**(d) Head, Enterprise Ethics &
Integrity**

Tel : 03-2240 9046 Fax: 03-2240 6069

(e) Ethics Lines

Tel : 1-800-88-2377

Fax: 03-7957 2377

Email : ethic@tm.com.my

15 GUIDING PRINCIPLES TO MINIMISE THE RISK OF CRIMINAL LIABILITY FOR CORRUPTION

TM ANTI-CORRUPTION GUIDE

GUIDING PRINCIPLES TO MINIMISE THE RISK OF CRIMINAL LIABILITY FOR CORRUPTION

GUIDING PRINCIPLES TO MINIMISE THE RISK OF CRIMINAL LIABILITY FOR CORRUPTION

1. Do not make any oral or written statement which you believe is or might be untrue or misleading. For example, only submit or approve claims and supporting documents that you honestly believe are true, and do not make or submit false, inaccurate, misleading or exaggerated records, invoices, claims, applications for variations or extensions of time, or requests for payment.
2. Do not dishonestly withhold information. For example, if you are aware that TM was responsible for part of the delay on a project, then this should be disclosed in any related claim made by TM.
3. Do not dishonestly provide, conceal, or approve work, materials, equipment or services which are not of the quality and quantity required under any contract. For example, if you are the project manager which has carried out defective works, then you should ensure that this is disclosed to the client.
4. Do not dishonestly refuse or fail to comply with your obligations. For example, do not dishonestly refuse to approve or willfully delay the approving of work, materials, equipment, services, invoices, claims, applications for variations or extensions of time, or requests for payment. Similarly, do not dishonestly refuse to pay or willfully delay the payment of sums which are due.
5. Do not become involved in any activity which you believe will or might involve dishonesty. For example, only be a party to a joint venture where you believe all parties intend to act honestly.
6. Do not comply with any instruction to act dishonestly or which may require you to act dishonestly. For example, refuse any instruction to inflate a claim fraudulently, or to meet a profit target which you know could only be done by dishonest means.
7. Do not instruct any other person to act dishonestly. For example, do not give instructions that a contract must be won by whatever method is necessary, thereby implying that dishonest means are acceptable.

TM ANTI-CORRUPTION GUIDE

GUIDING PRINCIPLES TO MINIMISE THE RISK OF CRIMINAL LIABILITY FOR CORRUPTION

GUIDING PRINCIPLES TO MINIMISE THE RISK OF CRIMINAL LIABILITY FOR CORRUPTION (con't)

8. Do not instruct any other person to act in such a way as might lead to dishonesty. For example, do not impose unrealistic deadlines or targets on your employees or offer them commissions which you know will or might pressure or incentivise them to act dishonestly in order to meet the deadlines or targets, or earn the commissions.
9. Do not attempt to win contracts, or have claims or payments approved by any means other than the proper official and legitimate means. For example, if a project engineer is refusing to certify a payment due to TM unless he is paid a large bribe, do not comply with this demand.
10. Do not give or receive gifts, payments or other advantages unless you are certain that there is no risk of the advantage having or being perceived to have a corrupt purpose. For example, do not invite officers of potential clients to entertainment events with the intention of influencing them to award TM a contract.
11. If you are a TM Director or TM Employee and holds management position, you should make proper enquiries regarding any suspicion of corruption and you should take reasonable preventive measures to stop corruption for which TM may be liable. You should not instruct, authorise or condone, expressly or impliedly, any corrupt activity. For example, if you are a sales manager and are aware that your sales representatives are making dishonest representations to potential clients and/or are paying bribes to win contracts, then you should investigate and put an end to these dishonest practices. Similarly, as a TM Director, do not condone the approval of dishonest objectives or methods by the Company.

16 KEY TAKE-AWAYS

TM ANTI-CORRUPTION GUIDE

KEY TAKE-AWAYS

DO's

- 1) Get consultation and advice from TM's Head of Enterprise Ethics & Integrity if you are not sure when you want to make any kind of promotional payment to, or receive reimbursement for, any third party or government official's travel, meal or entertainment expenses.
- 2) Immediately report any suspected violations of this guideline to the respective personnel or channel mentioned in this guideline.
- 3) Get prior, written permission from superior, if you want to give any kind of token, gratuitous promotional gift to any government official or third party, even if that gift is customary or in relation to a holiday tradition, in line with the existing Communication and Sponsorship policies.
- 4) Continually monitor TM's consultants, distributors, and business partners or any other kind of third party intermediary acting to further TM's interests for "red flags" indicating the potential corruption.

DON'Ts

- 1) Make, promise, offer or authorise any payment or gift of anything of value to any government official, political party, party official or political candidate.
- 2) Allow any of TM's business partners, distributors, consultants, or business partners to make a prohibited payment on TM's behalf.
- 3) Make or authorise any political contributions by TM, or on its behalf, in any political campaign. All political donations are against TM's policy.
- 4) Make or authorise any charitable donation/ sponsorship using TM assets, whether cash or direct such contributions is GBCM and Group Corporate Communication (at Group level) and CEO (at Subsidiary level) in line with the existing Communication and Sponsorship policies.

17

FREQUENTLY ASKED-QUESTIONS

TM ANTI-CORRUPTION GUIDE

FREQUENTLY ASKED-QUESTIONS

1. What is prohibited under our Anti-Corruption Policies?

We and our Business Partners cannot offer, promise, or provide payments or anything of value to government officials or their family members, in an attempt to improperly influence those officials to take actions favorable to us or secure any advantage for the Company.

2. What activities are specifically prohibited?

Specifically, we may not—and those we retain as our agents may not—engage in the following prohibited activities:

- i. **Bribes:** Giving, promising, or offering to give any money, gift, or thing of value to any government official to obtain or retain business or secure an improper advantage. It does not matter whether the gift or payment is called a ‘bribe.’ There is no minimum amount, materiality requirement or threshold of value to be exceeded before a gift or payment becomes illegal. ‘Commissions,’ ‘tips,’ ‘gratuities,’ and ‘gifts’ are all prohibited if they are offered or made to government officials in an attempt to influence them to make decisions that benefit us.
- ii. **Political Contributions:** Making contributions to political parties, party officials or candidates for office to obtain their support for executive, legislative, administrative or other actions that may be favorable to the Company. Please refer to Chapter 8 for details. The prohibitions on personal political contribution here is to refrain from obtaining their support’.
- iii. **Third-Party Payments:** Giving or offering to give any money, gift, or thing of value to a third party when there is knowledge or awareness of a high probability that it will be offered to a government official for a prohibited purpose.

3. What types of payments are prohibited?

Prohibited transactions include payment of anything of value to a government official for a corrupt purpose to obtain or retain business or gain an improper advantage. Examples are giving gifts, paying expenses, forgiveness of a debt, and personal favors (e.g., the hiring of a relative of the government official.)

TM ANTI-CORRUPTION GUIDE

FREQUENTLY ASKED-QUESTIONS

4. Are facilitating or “grease” payments permitted?

Facilitation payments are not authorised in TM.

5. Is TM considered as a public body and why?

Under the MACCA 2009, TM Employees are deemed as public official because TM equity is owned by the Government and Government linked-companies. Hence, TM Employees are strictly prohibited from accepting gifts, entertainment or corporate hospitality that are excessive, lavish, inappropriate, illegal, or given to influence a business decision or with an understanding that, in return, some desirable outcome may be expected. Section 23 of MACCA 2009 describes abuse of position of a public official and prescribes a penalty.

6. Is the Company liable for the acts of its Third Parties?

Companies may under the Common Law be liable for bribes paid by Third Parties if they had prior knowledge of or should reasonably have known about the bribes (Principle of Vicarious Liability). For now MACCA 2009 has no specific provision for corporate liability, hence TM may not face statutory criminal liability. Nevertheless, all TM Employees have a duty to inquire when there is suspicious activity taking place.

7. Can the Company transact business with government entities?

Yes, the MACCA 2009 does not prevent the Company from engaging in legitimate business transactions with government entities, such as contracting for the delivery of various goods and services. The MACCA 2009 is focused on corrupt payments to individual/parties that are made in order to unfairly gain business opportunities or improper advantages.

TM ANTI-CORRUPTION GUIDE

FREQUENTLY ASKED-QUESTIONS

8. What happens if a TM Employee violates the MACCA 2009, or AMLA 2001?

TM and the individual(s) involved in violating any of the Acts may be liable for substantial monetary penalties and, in the case of the individual, imprisonment. In the event that a TM Employee is found guilty of committing corruption, TM will not pay (or reimburse) the Employee for the fines or legal fees incurred in defending against the charges. The Employee will also be subject to disciplinary action up to and including possible termination.

9. I am not a Malaysian citizen. Why should I care about the MACCA 2009 or AMLA 2001?

QUESTION: The MACCA 2009 or other laws in Malaysia are not my problem; I am a citizen of another country. We do things differently where I live and even if I give small cash 'tips' to government officials, it's for the good of the Company and I can't be violating the MACCA 2009 or other Malaysian laws unless I am a Malaysian citizen.

ANSWER: You are wrong! As long as you are a TM Employee, or residing in Malaysia, you are subject to the MACCA 2009 and other relevant laws in Malaysia. It doesn't matter what an improper payment is called. They are still bribes, even though it may be common practice and you have not been caught yet. Although you are not a citizen of Malaysia, TM is a Malaysian company and as a TM Employee (or third party or joint venture partner), you must therefore abide by the MACCA 2009 or other existing Malaysian laws. The payments you describe may violate TM's Anti-Corruption provisions, and probably violate the MACCA 2009 and Malaysian laws. These payments may create serious potential liability for you, your manager, and TM.

TM ANTI-CORRUPTION GUIDE

FREQUENTLY ASKED-QUESTIONS

10. May I pay a small bribe if it will benefit the Company and I do not personally benefit?

QUESTION: Unless I pay a small bribe to local permitting official, our project will be late and we will miss our budget commitment. Is it justified to pay a small bribe? What if the bribe is called a 'tip' or a 'commission' – does this make it okay?

ANSWER: No. Bribery is not acceptable, no matter how small the amount. And it doesn't matter what the payment is called. If we or those we retain, offer, promise or pay anything of value to an official with the intent to influence that official's decision making, it is a bribe and is illegal. Your payment of bribe to a Malaysian government official will also violate the MACCA 2009 and TM policies on Anti- Corruption and TM Code of Business Ethics. Such payment could cost the Company millions in fines, penalties, disgorgement of profit and legal fees. If you are making the bribe, you will probably lose your job. You could also be personally subject to severe civil and criminal penalties, which include imprisonment. By not paying bribe, you may miss your budget but you will maintain your and TM's integrity and reputation.

11. A rumor regarding your contractor

QUESTION: TM hired a contractor, and a competitor of the contractor reported to you that the contractor has been bribing a government official. What should you do?

ANSWER: If credible information suggesting facts of this nature is received, you must channel this to TM's Management for further action. Under this scenario, TM may need to investigate or risk the presumption that the company knew of the unlawful activity.

12. May I ignore illegal practices by my joint venture partner?

QUESTION: My joint venture partner is always 'winning and dining' prospective clients. The partner never asks me to get involved and says it is normal in their company to reward their supportive clients' employees. What should I do?

ANSWER: You may not ignore this behavior. If TM deliberately ignores the behavior of its joint venture partner and fails to investigate the possibility that a bribe has occurred or will occur, it could be said to have had knowledge of any improper payments its joint venture partner makes. **You should alert TM Management, who will help you address and resolve the situation.**

TM ANTI-CORRUPTION GUIDE

FREQUENTLY ASKED-QUESTIONS

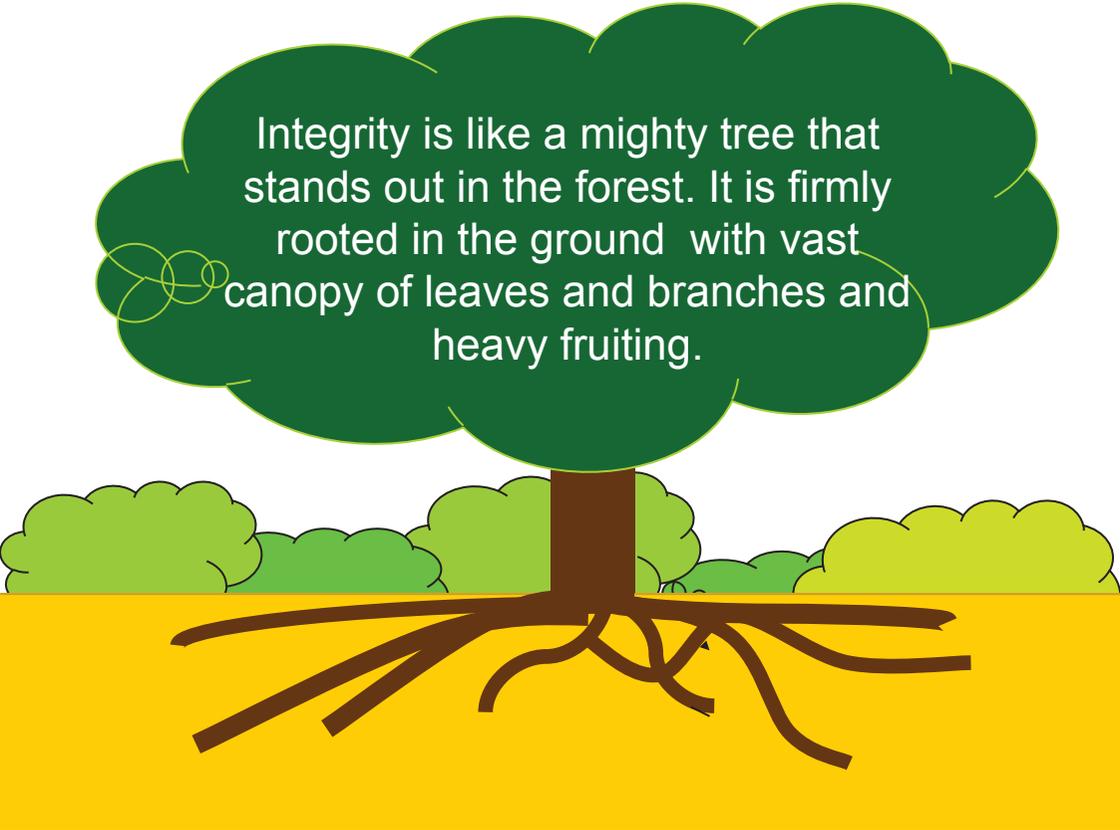
13. Reimbursing a government official: Travel as part of contract negotiations?

QUESTION: I am the Project Manager for TM's new call centre project in Sabah for a Ministry. I would like to invite Ministry personnel to visit the project site. Is this allowed?

ANSWER: Yes, provided that the costs incurred are reasonable, the business purposes you give for the trip are genuine, you do not have any corrupt intent in scheduling this visit, and the trip is pre-approved by TM Chief Procurement Officer. TM will not pay any travel or entertainment costs associated with a government official's family member. All costs should be incurred by TM directly (e.g., we pay meals and beverages) and will not 'advance' cash funds to an official.

FOLLOW UP QUESTION: The Ministry personnel has requested to spend two days in Sarawak after the Sabah visit is concluded. Can we pay for the transportation and costs associated with the Sarawak trip?

ANSWER: No. Because the side trip to Sarawak has nothing to do with our business, operations, products or technology, and would not be related to the execution or performance of the contract, there is no legitimate business purposes for the trip and no business rationale for paying these expenses.



Integrity is like a mighty tree that stands out in the forest. It is firmly rooted in the ground with vast canopy of leaves and branches and heavy fruiting.



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