TERRA GROUP HOLDINGS BERHAD

TERRA
GROUP OF COMPANIES

INTEGRATED MANAGEMENT SYSTEM

(ISO 37001:2025)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Reference Number : **TG-GE-02-001**
Revision : **00**
Date : **4 May 2026**

Action by	Name and Position	Signature	Date
Approved by	Mr. Ong Chin Khen (Managing Director)		04.05.2026
Approved by	Yip Loong Fatt (Chief Financial Officer)		04.05.2026
Prepared by	Mohd Zaharuddin Bin Husin (QAQC Document Controller)		04.05.2026

Terra Group Holdings Berhad

ANTI-BRIBERY AND ANTI-CORRUPTION

Integrated Management System

REVISION RECORD

REV. NO.	DATE	PAGE / ITEM AMENDED	AMENDMENT DESCRIPTION
		•	•
		•	•
01	04/05/2026	• First Issue	•

DOCUMENT TYPE and CONTROL

Owner	Quality Assurance Quality Control
Custodian	Document Controller
Type	Policy

This document shall be maintained and updated by the Document Owner and managed by the Document Custodian. All document amendments are subject to review and approval by authorized personnel.

This internal cloud-based document will be the controlled version. Relevant parties will be notified of new revisions and provided with the necessary details.

Copies or extracts of this document are uncontrolled unless marked otherwise at the top or back of the page of this document by the Document Custodian. As such, copies or extracts of this document cannot be guaranteed to be the latest version.

TOC

Table of Contents

1. INTRODUCTION

The Anti-Bribery and Anti-Corruption Policy (ABAC) of **TERRA GROUP HOLDINGS BERHAD (Terra)** is established to demonstrate our unwavering commitment to integrity and ethical conduct in all operations. This policy is designed to prevent bribery and corruption, ensuring that Terra upholds the highest standards of transparency and accountability. It aligns with ISO 37001:2025, which sets the requirements for establishing, implementing, maintaining, and continually improving an ABAC.

Bribery Definition: The offering, giving, receiving, or soliciting of something of value with the intent to influence the actions of an individual in the performance of their duties.

Corruption Definition: The abuse of entrusted power for personal gain, including bribery and corruption and other unethical practices.

Anti-Bribery Commitment
ISO 37001 is an international standard introduced by the International Organization for Standardization (ISO) in 2016, providing a framework for preventing, detecting, and addressing bribery across organizations of any size or sector. Terra's anti-bribery policy is developed in accordance with ISO requirements and aligned with Malaysian Government laws and policies. Terra is committed to fostering a culture of integrity, openness, and compliance, recognizing that organizational culture is critical to the success of an ABAC.

Anti-Corruption Commitment
Beyond bribery, Terra recognizes the broader risks of corruption, including fraud, embezzlement, nepotism, and abuse of power. Terra's anti-corruption policy reinforces the principle that corruption in any form is unacceptable. This document reflects international good practices and applies to organizations of all sizes and sectors—public, private, and not-for-profit. Terra is committed to implementing proportionate measures to prevent, detect, and respond effectively to corruption risks.

Integration with Management Systems
This document conforms to ISO's requirements for management system standards, including a high-level structure, identical core text, and common definitions. It can be integrated with other management system standards such as ISO 9001, ISO 37301, ISO 26000, and ISO 31000, ensuring consistency and efficiency. Terra shall establish, document, implement, maintain, and continually improve both its anti-bribery and anti-corruption management systems, including all necessary processes and their interactions, in accordance with ISO 37001 requirements.

2. OBJECTIVE

To establish an effective ABAC, Terra's objective is to cultivate a culture of institutional integrity where bribery and corruption are fundamentally rejected as business practices. This system aims to provide a structured framework for preventing, detecting, and addressing bribery and corruption risks by implementing rigorous due diligence, transparent financial controls, and clear ethical guidelines for all employees and business associates. By aligning with international standards like ISO 37301, the objective is to mitigate legal and reputational risks, ensure full compliance with anti-corruption legislation, and foster trust with stakeholders through a demonstrated commitment to fair and ethical operations.

The objective of establishing an ABAC is to prevent, detect, and respond effectively to bribery and corruption risks across all organizational activities. It aims to promote integrity, transparency, and accountability in business operations while ensuring compliance with applicable laws, regulations, and ethical standards. By embedding a culture of ethics and responsibility, the system safeguards Terra's reputation, strengthens stakeholder trust, and enhances competitiveness. Through structured policies, training, and monitoring, this policy encourages employees and business partners to act with honesty and fairness, while supporting continual improvement in anti-bribery and anti-corruption practices to ensure long-term sustainability and resilience.

Key Focus Areas of the ABAC

- **Risk Identification:** Proactively assessing any risks related to project vulnerabilities.
- **Due Diligence:** Evaluating the integrity of third parties before engagement.
- **Whistleblowing:** Establishing safe, confidential channels for reporting misconduct.
- **Training:** Ensuring every team member understands their role in maintaining compliance.

TOC

3. RESPONSIBILITIES

- TOP MANAGEMENT
- MIDDLE MANAGEMENT
- ALL STAFF

3.1. Responsibilities and Roles

i. **Board of Directors and Senior Management**: Provide leadership, oversight, and resources to enforce this policy. The Board has overall responsibility for the implementation of this policy, ensuring that the ABAC is integrated into Terra's governance and management processes.

ii. **Middle Management:** Middle management is responsible for ensuring that appropriate resources are allocated to implement the ABAC and that all employees and stakeholders understand their role in complying with this policy.

iii. **Employees**: Comply with the policy, report suspected corruption in accordance with the reporting procedures, and complete mandatory training.

iv. **Compliance Team**: Monitor implementation, conduct audits, and investigate allegations.

TOC

4. SCOPE AND NORMATIVE REFERENCES

4.1. Scope

Terra has adopted to implement this anti-bribery and anti-corruption policy in parallel with, or as part of, its other management systems, such as quality, environmental and occupational safety and health (in which case Terra can refer to ISO 9001, ISO 14001, and ISO 45001), as well as 31000 (Risk Management – Guideline) and or ISO 37301 (Compliance).

This policy applies to all employees, contractors, suppliers, business partners, and any other entities acting on behalf of Terra, both domestically and internationally. This policy covers all business activities, including but not limited to:

i. Bribery and corruption in the public, private, and not-for-profit sectors.

ii. Bribery and corruption by Terra.

iii. Bribery and corruption by Terra's personnel acting on Terra's behalf or for its benefit.

iv. Bribery and corruption of Terra's personnel in Terra's activities.

v. Bribery and corruption of Terra's business associate in Terra's activities.

vi. Direct and indirect bribery and corruption (e.g., a bribe or gratification offered or accepted through or by a third party).

The requirements of this policy are generic and are intended to apply to all Terras (or parts of an organization), regardless of type, size, and nature of activity, and whether in the public, private, or not-for-profit sectors.

This policy applies to all directors, employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person associated with Terra, or any of our subsidiaries or their employees, wherever located.

This policy applies to:

i. All employees, directors, and officers of Terra

ii. Contractors, consultants, agents, and intermediaries acting on Terra's behalf

iii. Suppliers, vendors, and business partners engaged with Terra

4.2. Normative Reference

The Anti-Bribery and Anti-Corruption Policy complies with normal practices set up in Malaysia, such as:

- ACT 694 (Malaysian Anti-Corruption Commission Act 2009)
- ISO 9001: 2015 (Quality Management System)
- ISO 37001:2025 (Anti-Bribery Management System)
- ISO 37301:2025 (Compliance Management System)

5. ANTI-BRIBERY MANAGEMENT SYSTEM AND FRAMEWORK

Terra ABMS integrates seamlessly with other established or planned management systems. It covers all internal and external issues, responds directly to risk assessment findings, and prioritizes thorough documentation.

The management system is designed to foster an organizational culture of integrity by promoting an anti-bribery mindset and a commitment to continual improvement. It empowers leadership across all departments to actively prevent and detect bribery within their specific areas of responsibility while encouraging the use of formal reporting procedures for any suspected or actual misconduct. Crucially, the system guarantees that personnel are protected from retaliation, discrimination, or disciplinary action when reporting in good faith or refusing to participate in bribery—even at the risk of losing business. To ensure transparency and accountability, the system also mandates regular reporting to the governing body regarding the performance of the anti-bribery framework and any serious or systematic allegations.

5.1. Anti-Bribery Policy

5.1.1. The anti-bribery policy shall:

i. be available as documented information;

ii. be communicated in appropriate languages within the Terra and to business associates who pose more than a low risk of bribery;

iii. be available to relevant stakeholders, as appropriate.

5.2. Risk Assessment

5.2.1. Conduct thorough risk assessments to identify potential bribery risks within Terra's operations, evaluating both internal and external factors. The risk assessment should be tailored to Terra’s specific context, challenges, and operating environment.

5.2.2. A comprehensive Bribery Risk Assessment shall be conducted on an annual basis, or more frequently as deemed necessary by the Management or when significant changes occur within Terra’s operations.

5.3. Training and Communication

5.3.1. Ensure that all employees and associated persons are aware of the anti-bribery policy, their responsibilities, and the consequences of non-compliance through effective communication and regular training. Anti-bribery procedures must also address anti-bribery training for business associates who act on Terra’s behalf.

TOC

5.4. Implementation of Controls and Procedures

5.4.1. Implement appropriate financial and non-financial controls, and ensure there are clear procedures for reporting bribery or suspicious activities. Financial controls include measures such as two-signature payments and restrictions on cash. Non-financial controls include the separation of functions and the use of two signatures on work approvals.

5.5. Due Diligence

5.5.1. Conduct due diligence on third parties to mitigate bribery risks. Terra also needs to put in place anti-bribery procedures for all organizations over which they have control.

5.6. Monitoring and Review

5.6.1. Regularly monitor and review the anti-bribery management system for effectiveness and ensure continuous improvement by learning from experiences, feedback, and changes in bribery risks.

5.7. Reporting Procedures

5.7.1. Implement reporting (whistle-blowing) procedures that encourage and enable persons to report suspected bribery, or any violation of or weakness in the ABMS.

5.8. Investigations and Corrective Action

5.8.1. Implement procedures to investigate and address any suspected or actual bribery or violations of the ABAC and necessary action is taken if a violation occurs. Rectify any identified problem with the ABAC and improve it as necessary.

6. ANTI-CORRUPTION POLICY AND FRAMEWORK

TERRA GROUP HOLDINGS BERHAD (Terra) is steadfast in its commitment to conducting all business affairs with the highest standards of integrity, honesty, and transparency. Terra maintains a strict zero-tolerance stance against corruption in all its forms—defined as the abuse of entrusted power for private gain—including, but not limited to, embezzlement, extortion, money laundering, nepotism, and cronyism. Recognizing that such illicit practices hinder economic growth and damage corporate reputation, Terra pledges to uphold a professional culture where ethical conduct is non-negotiable and "business as usual" is never compromised by unethical acts.

This Anti-Corruption Policy further establishes Terra's mandate for absolute accountability and transparency in every transaction. Corruption in any form, including fraud, abuse of power, and facilitation payments, is strictly prohibited across all operations. This policy serves as a critical component of Terra's Anti-Bribery Management System (ABMS), ensuring robust alignment with ISO 37001:2025 and full compliance with all applicable Malaysian laws and regulatory frameworks**.**

6.1. Policy Statement

i. Terra adopts a zero-tolerance approach to corruption.

ii. All business dealings must be conducted honestly, fairly, and in compliance with laws and regulations.

iii. No employee or representative shall offer, give, solicit, or accept any improper advantage, whether financial or non-financial.

iv. Corruption risks must be identified, assessed, and mitigated through proportionate controls.

TOC

6.2. Risk Assessment

6.2.1. Conduct comprehensive risk assessments to identify potential corruption risks across all of Terra's operations, evaluating both internal and external risk factors. These assessments shall be specifically tailored to Terra's corporate context, operational challenges, and the unique regulatory environment in which Terra operates.

6.2.2. A formal risk assessment shall be conducted on an annual basis, or more frequently as mandated by Management or upon the occurrence of significant changes to Terra's structure, operations, or legal obligations.

6.3. Training and Awareness

i. Regular training sessions will be conducted to ensure employees and stakeholders understand corruption risks and reporting mechanisms.
ii. Awareness campaigns will reinforce Terra's commitment to ethical conduct.

6.4. Implementation of Controls and Procedures

6.4.1. Through financial and non-financial controls, Terra shall establish and maintain stringent financial controls to mitigate corruption risks, including clearly defined Limit of Authority and the implementation of the requirement of dual signatories for all high-value transactions.

6.4.2. Non-financial controls shall include the standardization of procurement processes, ensuring that all vendors are selected through strategic procurement or competitive selection to eliminate favoritism and ensure transparency in the awarding of contracts.

6.5. Due Diligence

6.5.1. To ensure that Terra remains compliant with Section 17A of the MACC Act 2009 and ISO 37001:2025, the process must be rigorous and documented. This process acts as a preventive filter to ensure Terra only engages with ethical business associates.

6.5.2. Due diligence shall be conducted on all business associates, which includes but is not limited to vendors, subcontractors, consultants, joint venture partners, and any third party acting on behalf of Terra. The level of scrutiny shall be proportionate to the corruption risk identified (e.g., higher scrutiny for government-linked projects or high-value procurement).

6.6. Monitoring and Review

i. This policy will be reviewed annually as part of Terra's ABAC management review.

ii. Continuous improvement measures will be implemented to strengthen anti-corruption practices.

6.7. Reporting and Whistleblowing

6.7.1. Terra encourages all employees and business associates to report any suspicion of corruption through our secure whistleblowing channels. Terra guarantees that no one will suffer any detrimental treatment as a result of refusing to participate in corruption or for reporting a genuine concern in good faith.

i. Terra provides secure and confidential channels for reporting suspected corruption.

ii. Whistleblowers are protected against retaliation.

iii. All reports will be investigated promptly and fairly, with corrective actions taken where necessary.

6.8. Investigations and Corrective Action

6.8.1. Upon receipt of a report through the Whistleblowing Channel or the discovery of a Red Flag during internal audits, Terra shall immediately initiate a preliminary assessment. All investigations shall be conducted with the highest degree of confidentiality and objectivity. The primary objective is to determine the validity of allegations of bribery, embezzlement, or other forms of corruption without compromising the rights of the individuals involved.

6.8.2. Corrective and remedial actions will follow once the investigation has been completed and determine what action should be taken, including disciplinary action, contractual termination, or legal reporting to the relevant enforcement agencies, including the Malaysian Anti-Corruption Commission (MACC) and the Royal Malaysia Police (PDRM).

6.8.3. Following the conclusion of any investigation, the Terra shall conduct a root cause analysis to identify gaps in existing controls. The risk register shall be updated to reflect any new risks discovered, and additional training shall be provided to relevant departments to prevent a recurrence. All findings and remedial steps taken must be documented and reported to the Board of Directors to ensure top-level oversight.

7. CONTEXT OF ORGANIZATION

7.1. Understanding The Organization and Its Context

7.1.1. Terra shall determine external and internal issues that are relevant to its purpose and that affect its ability to achieve the objectives of its ABAC. These issues will include, without limitation, the following factors:

i. the size, structure and delegated decision-making authority of the Terra.

ii. the locations and sectors in which the Terra operates or anticipates operating.

iii. the entities over which Terra has control and entities that exercise control over Terra.

iv. Terra's business associates.

v. the nature and extent of interactions with public officials.

vi. applicable statutory, regulatory, contractual and professional obligations and duties.

7.2. Understanding The Needs and Expectations of Stakeholders

Stakeholders are divided into two main categories. For each, you must identify their specific requirements and expectations.

7.2.1. Internal Stakeholders

7.2.1.1. **Board of Directors and Top Management:** They require protection from corporate liability under **Section 17A of the MACC Act**. They expect a clean corporate culture that protects Terra's brand and stock value.

7.2.1.2. **Employees:** They require a safe, ethical working environment and a clear **Whistleblowing** policy. They expect fair treatment and that they won't be forced into non-compliant or illicit transaction deals to meet targets.

7.2.2. External Stakeholders

7.2.2.1. **Regulators (Malaysian Anti-Corruption Commission, Bursa Malaysia, Security Commission, Construction Industry Development Board):** They require strict adherence to statutory laws, timely reporting, and evidence of Adequate Procedures.

7.2.2.2. **Customers and Clients:** They expect that contracts are won fairly through merit, not unauthorized incentives or improper gratification payments. They may require you to sign an anti-corruption pledge before doing business.

7.2.2.3. **Suppliers and Business Associates:** They need to know your No Gift Policy and payment terms so they aren't tempted to offer facilitation payments to speed up processes.

7.2.2.4. **Investors/Shareholders:** They require transparency to ensure their investment isn't at risk of legal fines or de-listing from the market.

7.3. Bribery and Corruption Risk Assessment

The bribery and corruption risk assessment serves as the foundation of the anti-bribery and anti-corruption policy. It identifies which risks are high-priority, allowing the Terra to focus its resources, personnel, and controls effectively. While Terra has the freedom to choose its own methodology, ranking system, and risk appetite, these criteria are aligned with the overall anti-bribery and anti-corruption policy and objectives.

7.3.1. This assessment is the foundation of Terra's anti-corruption strategy. It identifies high-priority threats so that resources, personnel, and controls are used effectively. While Terra can choose its own ranking methodology, the criteria must align with Terra's overall policy objectives and risk appetite.

7.3.2. **Regular Risk Assessments.** Terra must perform regular assessments, suggested once a year, to identify potential risks and analyze their priority level. This process involves evaluating whether existing internal controls are actually effective at stopping the identified bribery and corruption risks.

7.3.3. **Evaluation Criteria.** Terra must establish clear rules for measuring risk levels. These criteria should reflect the company's policies and consider the nature of the risk, how likely it is to happen, and the severity of the impact if it does.

7.3.4. **Review Frequency.** These assessments must be reviewed annually to account for new information. Additionally, an immediate review is required if there is a significant change in Terra's organizational structure or business activities.

7.3.5. **Documentation.** Terra must keep formal records of every risk assessment. This documentation serves as proof that the assessment was conducted and used to design or improve the overall Anti-Bribery and Anti-Corruption (ABAC) program.

7.3.6. **Assessment Methodology.** When conducting the assessment, Terra should use a tiered ranking system (e.g., "low," "medium," "high"). This allows Terra to categorize risks based on specific factors like the likelihood of occurrence and the magnitude of potential consequences.

7.3.7. **Organizational Structure Risks.** The assessment must consider Terra's size and structure. Smaller, centralized offices are generally easier to manage, whereas large, decentralized operations across many locations face higher risks and require more oversight.

7.3.8. **Location and Sector Risks.** Terra must evaluate the specific regions and industries where it operates. By using global corruption indices, Terra can flag high-risk environments that require much stricter internal controls.

7.3.9. **Project and Activity Risks.** Certain business activities are more vulnerable than others. For example, simple manufacturing in one spot is lower risk than managing multiple large-scale construction projects in various locations. Special arrangements, like reinvestment contracts (offsets), must be handled with extreme transparency.

7.3.10. **Business Associate Categories.** Terra must categorize all partners and associates by their risk level. This ensures that oversight is applied where it is most needed rather than treating every partner the same way.

7.3.11. **Customer Risk Levels.** The value of their contracts should rank customers. High-value clients, especially those with authority over project approvals or payments, pose a higher risk and require more oversight than those purchasing low-value, standard products.

TOC

7.3.12. **Supplier Risk Levels.** Suppliers are categorized based on their scope of work and their level of contact with government officials. High-interaction suppliers are high-risk, while those providing standard services (like hotel bookings) are considered low-risk.

7.3.13. **Agents and Intermediaries.** Any agents or middlemen representing Terra to clients or public officials are high-risk, particularly if they are paid via commission or success fees. These relationships require intense monitoring.

7.3.14. **Public Official Interactions.** Terra must examine how often and why employees interact with government officials. Frequent contact regarding permits and approvals is a primary risk factor that must be carefully managed.

7.3.15. **Legal and Professional Duties.** The assessment must ensure Terra follows all laws and contracts, particularly regarding the limitations on entertaining public officials or the legal use of third-party agents.

7.3.16. **Reputation.** Always be alert and know those mentioned in 7.3.10. until 7.3.15. reputation and background with due diligence.

7.3.17. **Influence and Control.** Terra should consider how much power it actually has to influence or control the risks it identifies. Risks often overlap, as a supplier's risk level may change depending on the country in which they are working.

7.3.18. **Implementation of Controls.** Once risks are identified, Terra must apply the right level of control. High-risk areas need strict supervision, while low-risk activities can use simpler procedures. Terra has the discretion to waive certain requirements for low-risk categories where appropriate.

7.3.19. **Conflicts of Interest.** All personnel must report any personal, family, or financial links that could create a conflict of interest. Terra must maintain records of these disclosures and the specific actions taken to mitigate them.

7.4. Actions to Address Risks (Prevention and Control)

To stop bribery and corruption before they happen, focus on these four areas:

7.4.1. **Vetting (Due Diligence):** Check the background of all new vendors, consultants, and high-level employees before signing them.

7.4.2. **Clear Limits:** Set strict rules on "Gifts and Hospitality" and ensure no single person can approve payments alone (**Segregation of Duties**).

7.4.3. **Safe Reporting:** Provide a **Whistleblowing** channel so people can report suspicious activity anonymously without fear.

7.4.4. **Anti-Corruption Clauses:** Include "Right to Terminate" clauses in all contracts if a partner is found to be involved in corrupt acts.

7.5. Actions to Address Opportunities (Improvement)

Use the ABAC framework to make the business stronger and more efficient:

7.5.1. **Digitalization:** Move to e-procurement or automated workflows to reduce manual "negotiations" and human error.

7.5.2. **Better Reputation:** Use your clean compliance record as a selling point when bidding for large-scale projects or government tenders.

7.5.3. **Standardization:** Use one set of rules across all subsidiaries to simplify audits and reduce paperwork.

8. LEADERSHIP

8.1. Leadership And Commitment

Leadership must demonstrate support for anti-bribery and anti-corruption measures and a culture of integrity. The management needs to ensure that the ABAC and its requirements are integrated into Terra's processes and aligned with its strategic direction.

8.1.1. Top Management

Top management shall establish, maintain and review an anti-bribery and anti-corruption policy that:

i. prohibits bribery and corruption

ii. Ensuring that the ABAC, including policy and objectives, is established, implemented, maintained and reviewed to address Terra's bribery and corruption risks adequately

iii. explains the authority and independence of the anti-bribery and anti-corruption compliance function

iv. explains the consequences of not complying with the anti-bribery and anti-corruption policy

v. Ensuring the integration and compliance of the ABAC requirements into Terra's processes

vi. Deploying adequate and appropriate resources for the effective operation of the ABAC

vii. Communicating internally and externally regarding the anti-bribery and anti-corruption policy

viii. Ensuring that the ABAC is appropriately designed to achieve its objectives

ix. Directing and supporting personnel to contribute to the effectiveness of the anti-bribery and anti-corruption

TOC

x. encourages raising concerns in good faith, or based on a reasonable belief in confidence, without fear of reprisal

xi. Ensuring that Terra's strategy, along with its anti-bribery and anti-corruption policy, is aligned

xii. At planned intervals, receiving and reviewing information about the content and operation of Terra's ABAC.

8.1.2. Middle Management

Middle management plays a pivotal role in the ABAC's success by translating policy into practice. Within their respective areas of responsibility, HODs and managers are committed to:

i. **Cultivating Integrity:** Actively promoting an organizational culture of zero tolerance toward wrongdoings and ensuring that anti-bribery and anti-corruption values are integrated into all departmental activities and decision-making processes;

ii. **Driving Continual Improvement:** Regularly reviewing operational workflows to identify vulnerabilities and implementing improvements to enhance the effectiveness of the anti-bribery and anti-corruption framework;

iii. **Demonstrating Functional Leadership:** Taking direct responsibility for preventing and detecting bribery and corruption within their teams, ensuring that anti-bribery and anti-corruption requirements are met without compromising operational efficiency;

iv. **Encouraging Transparency:** Actively encouraging personnel to utilize established reporting procedures *(refer to Section 6.7.)* for any suspected or actual bribery and corruption, ensuring that speaking up is viewed as a contribution to the company's health;

v. **Enforcing Non-Retaliation:** Strictly ensuring that no employee suffers retaliation, discrimination, or disciplinary action for refusing to participate in bribery or corruption or for making a good-faith report—even if such actions result in a loss of business or missed targets;

vi. **Reporting and Oversight:** Providing timely and accurate updates to the ABAC compliance function and Top Management regarding the performance of the system and any serious or systematic bribery and corruption risks identified within their scope of work.

> *The phrase* ***"refusing to participate"*** *is included because employees often face high-pressure situations where they must make a split-second choice between following an unethical order or protecting the company's integrity.*

8.2. Organizational Roles, Responsibilities and Authorities

8.2.1. Roles and Responsibilities

As outlined in 3.1.

8.2.2. Anti-Bribery Compliance Function

The person or group of people responsible for the day-to-day operation of the anti-bribery and anti-corruption program.

8.2.2.1. The management shall assign to an anti-bribery and anti-corruption compliance function the responsibility and authority for:

i. Overseeing the design and implementation by Terra of the ABAC

ii. Providing advice and guidance to personnel on the ABAC and issues relating to bribery and corruption.

iii. reporting on the performance of ABAC to the governing body (if any) and top management and other compliance functions, as appropriate.

iv. The anti-bribery and anti-corruption compliance function shall be adequately resourced and assigned to person(s) who have the appropriate competence, status, authority and independence.

v. The anti-bribery and anti-corruption compliance function shall have direct and prompt access to the governing body (if any) and top management if any issue or concern needs to be raised in relation to bribery and corruption.

8.2.3. Delegated Decision Making

8.2.3.1. In the Anti-Bribery and Anti-Corruption Policy (ABAC), any decision-making that remains the sole responsibility of Top Management.

8.2.3.2. For activities involving more than a low risk of bribery and corruption, Top Management may delegate decision-making authority to specific personnel, provided that a formal process is established to ensure these decisions are appropriate and free from conflicts of interest. Any authority not explicitly delegated through these controlled processes remains the direct responsibility of Top Management. These delegations and their associated controls shall be reviewed periodically to ensure ongoing compliance with the ABAC framework as outlined in Chapters 5 and 6.

Delegation of decision-making does not exempt top management or the governing body (if any) from their duties and responsibilities as described in 8.1.1., 8.1.2. and 3.1., nor does it necessarily transfer to the delegated personnel, potential legal responsibilities.

TOC

9. SUPPORT

9.1. Resources

9.1.1. Terra Group shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the anti-bribery and anti-corruption policy. Terra shall provide sufficient resources for the effective operation of the ABAC, including:

i. **Human Resources:** Sufficient time for staff to perform anti-bribery and anti-corruption duties.

ii. **Physical Resources:** Office space, IT hardware/software, and training materials.

9.2. Competence

9.2.1. Competence is generally built on three specific foundations. To be competent, an associate or manager should have the right mix of education, training, and experience.

9.2.2. Education, or formal qualifications or certifications relevant to their role.

9.2.3. Training, specific instruction on the ABAC policy, how to recognize red flags, and how to use Terra's reporting whistleblowing channels.

9.2.4. Experiences, practical on-the-job history that allows them to recognize bribery and corruption risks in real-world situations.

9.2.5. General

9.2.5.1. Terra will:

i. Determine the necessary competence of person(s) doing work under its control that affects its antibribery and anticorruption performance.

ii. Ensure that these persons are competent based on appropriate education, training, or experience.

iii. Where applicable, take actions to acquire and maintain the necessary competence, and evaluate the effectiveness of the actions taken.

iv. retain appropriate documented information as evidence of competence.

9.2.5.2. Applicable actions can include, for example, the provision of training to, the coaching of, or the reassignment of personnel or business associates, or the hiring or contracting of the same.

9.2.6. Employment Process

9.2.6.1. In relation to all of its personnel, Terra shall implement procedures such that:

i. Conditions of employment require personnel to comply with the anti-bribery and anti-corruption policy and anti-bribery and anti-corruption policy, and give Terra the right to discipline personnel in the event of non-compliance

ii. Within a reasonable period of their employment commencing, personnel receive a copy of, or are provided with access to, the anti-bribery and anti-corruption policy and training in relation to that policy

iii. Terra has procedures that enable it to take appropriate disciplinary action against personnel who violate the anti-bribery and anti-corruption policy.

iv. personnel will not suffer retaliation, discrimination, or disciplinary action (e.g., by threats, isolation, demotion, preventing advancement, transfer, dismissal, bullying, victimization, or other forms of harassment) for:

a. refusing to participate in, or turning down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery and corruption that has not been mitigated by Terra; or

b. concerns raised or reports made in good faith, or based on a reasonable belief, of attempted, actual or suspected bribery and corruption or violation of the anti-bribery and anti-corruption policy (except where the individual participated in the violation).

9.2.6.2. In relation to all positions that are exposed to more than a low bribery and corruption risk, as determined in the bribery and corruption risk assessment and to the anti-bribery and anti-corruption compliance function, Terra shall implement procedures which provide that:

i. refusing to participate in, or turning down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery and corruption that has not been mitigated by Terra; or

ii. Due diligence (see 10.2) is conducted on persons before they are employed, and on personnel before they are transferred or promoted by Terra, to ascertain as far as is reasonable that it is appropriate to employ or redeploy them and that it is reasonable to believe that they will comply with the anti-bribery and anti-corruption requirements

iii. Performance bonuses, performance targets and other incentivizing elements of remuneration are reviewed periodically to verify that there are reasonable safeguards in place to prevent them from encouraging bribery

iv. Such personnel, top management, and the governing body (if any), file a declaration at reasonable intervals proportionate to the identified bribery and corruption risk, confirming their compliance with the anti-bribery and anti-corruption policy.

9.3. Awareness And Training

The objectives of training ensure staff understand bribery and corruption risks, the ABAC policy, and how to take preventive or reporting actions.

Methodology:

i. **In-person training** is recommended for the Governing Body and high-risk roles.

ii. **Business Associates:** Terra must identify associates posing more than a low risk and ensure they receive relevant anti-bribery and anti-corruption training (often handled via contractual requirements).

9.3.1. Training Scope and Curriculum: Terra must provide relevant anti-bribery and anti-corruption (ABAC) training to all personnel, tailored to the risks identified in their specific roles. This curriculum must cover Terra's policies, the personal duty to comply, and how to identify red flags or high-risk situations. Personnel must be taught how to recognize and properly reject bribe offers while understanding the severe damage and legal consequences that corruption causes to both the individual and the company.

9.3.2. Reporting and Participation: A critical objective of the training is to empower staff to take preventive and reporting actions. Employees must be educated on their contribution to a successful ABAC program, the benefits of ethical performance, and the specific procedures for reporting concerns. By providing clear information on available resources and designated reporting channels, Terra ensures that every team member knows how and to whom they should report suspected bribery.

9.3.3. Frequency and Program Maintenance: Awareness and training are not one-time events; Terra will be provided regularly, typically once annually or at planned intervals based on changing circumstances and risk levels. Terra is responsible for periodically updating these programs to include new information and emerging risks. To ensure accountability, Terra must also maintain detailed records documenting the training procedures, the content delivered, and a log of who received the training and when.

9.3.4. External Associate Requirements: Terra must implement procedures to identify and train business associates who represent the company and pose more than a low bribery risk. While in-person training is recommended for the Governing Body and high-risk roles, requirements for external associates are often managed through contractual clauses. These procedures must define which associates need training, what content they require, and whether the training will be provided by Terra, the associate, or a third party.

TOC

9.4. Communication

9.4.1. 7.4.1 Terra shall determine the internal and external communications relevant to the anti-bribery and anti-corruption policy, including:

i. On what it will communicate

ii. when to communicate

iii. with whom to communicate

iv. how to communicate

v. who will communicate

vi. the languages in which to communicate

9.4.2. The anti-bribery and anti-corruption policy shall be made available to all Terra's personnel and business associates, be communicated directly to both personnel and business associates who pose more than a low risk of bribery, and shall be published through Terra's internal and external communication channels, as appropriate.

9.5. Documented Information

9.5.1. General

9.5.1.1. Terra's anti-bribery and anti-corruption policy shall include:

i. documented information required by this document

ii. documented information determined by Terra as being necessary for the effectiveness of the anti-bribery and anti-corruption policy.

9.5.1.2. The extent of documented information for an anti-bribery management system can differ from one organization to another due to:

i. the size of Terra and its type of activities, processes, products and services

ii. the complexity of processes and their interactions

iii. the competence of personnel

9.5.1.3. Documented information can be retained separately as part of the anti-bribery and anti-corruption policy, or can be retained as part of other management systems (e.g., compliance, financial, commercial, audit).

9.5.2. Creating and Updating

9.5.2.1. When creating and updating documented information, Terra shall ensure appropriate:

i. identification and description (e.g., a title, date, author, or reference number)

ii. format (e.g., language, software version, graphics) and media (e.g., paper, electronic)

iii. review and approval for suitability and adequacy

9.5.3. Control of Documented Information

9.5.3.1. Documented information required by the anti-bribery and anti-corruption management system and by this document shall be controlled to ensure:

i. It is available and suitable for use, where and when it is needed.

ii. It is adequately protected (e.g., from loss of confidentiality, improper use, or loss of integrity).

iii. For the control of documented information, Terra shall address the following activities, as applicable:

a. distribution, access, retrieval and use

b. storage and preservation, including preservation of legibility

c. control of changes (e.g., version control); — retention and disposition

9.5.3.2. Documented information of external origin determined by Terra to be necessary for the planning and operation of the anti-bribery and anti-corruption shall be identified as appropriate and controlled.

9.5.3.3. Access can imply a decision regarding the permission to view the documented information only, or the permission and authority to view and change the documented information.

10. OPERATION

10.1. Operational Planning and Control

10.1.1. Terra will plan, implement, review and control the processes needed to meet the requirements of the anti-bribery and anti-corruption policy, and to implement the actions determined:

i. **Process Establishment and Control:** Terra is required to plan and manage its internal processes to satisfy the anti-bribery and anti-corruption (ABAC) policy. This involves setting clear performance criteria for every process and implementing specific controls to ensure those criteria are met. To maintain accountability and demonstrate compliance, Terra must keep records showing that processes were executed exactly as planned.

ii. **Managing Change and Outsourcing:** To prevent integrity gaps, Terra must actively monitor both planned and unexpected changes to its operations. If a change creates an unintended risk, Terra must take immediate action to mitigate any negative effects. This oversight extends to outsourced functions; because external providers are considered business associates, Terra must ensure that these third parties are subject to the same level of control as internal departments.

iii. **Risk-Based Resource Allocation:** While Terra maintains a zero-tolerance policy toward actual bribery, it may adjust its level of control based on the assessed risk of different transactions. For example, high-risk transactions require comprehensive monitoring, whereas low-risk categories—such as general retail customers—may not require intensive due diligence. This allows Terra to focus its most rigorous defenses where the threat of corruption is highest.

iv. **Proportionality and Zero Tolerance:** Terra distinguishes between the *risk* of bribery occurring and the *fact* of bribery itself. Even in high-risk business environments, Terra must remain committed to its anti-corruption standards. This means that while controls are applied proportionately to the level of risk, the ultimate goal remains the total prevention of any corrupt acts across all business activities.

TOC

10.2. Due Diligence

10.2.1. Where Terra's bribery and corruption risk assessment, as conducted in 7.3., has assessed a more than low bribery and corruption risk in relation to:

i. specific categories of transactions, projects or activities,

ii. planned or ongoing relationships with specific categories of business associates, or

iii. specific categories of personnel in certain positions *(refer to 7.3.)*,

10.2.2. Terra shall assess the nature and extent of the bribery and corruption risk in relation to specific transactions, projects, activities, business associates and personnel falling within those categories. This assessment shall include any due diligence necessary to obtain sufficient information to assess the risk of bribery and corruption. The due diligence shall be updated at a defined frequency, so that changes and new information can be properly taken into account.

10.2.3. The measures cannot be so expensive, burdensome and bureaucratic that they are unaffordable or bring the business to a halt, nor can they be so simple and ineffective that bribery and corruption can easily occur. The measures need to be appropriate to the bribery and corruption risk and should have a reasonable chance of achieving their aim of preventing, detecting, and responding to bribery.

10.2.4. Although bribery risk exists in relation to many transactions or activities, the bribery risk assessment, due diligence procedures and anti-bribery and anti-corruption controls implemented by an organization involved in a large, high value transaction or activities involving a wide range of business associates are likely to be more comprehensive than those implemented by an organization in relation to a business which involves selling small value items to multiple customers or multiple smaller transactions with a single party.

10.2.5. **Due Diligence on Personnel:** Before hiring, Terra should:

i. Verify qualifications and obtain references.

ii. Assess if the candidate has a history of bribery and corruption or relationships with public officials.

iii. Ensure the job offer is not an improper "reward" for previous favors.

10.2.6. **Performance and Compensation:**

i. specific categories of transactions, projects or activities,

ii. **Risk:** Bonuses and high-pressure targets can unintentionally encourage bribery.

iii. **Mitigation:** Evaluations should reward compliance; staff must be aware that violating the ABAC to reach sales targets will result in disciplinary action.

10.2.7. Terra can conclude that it is unnecessary, unreasonable, or disproportionate to undertake due diligence on certain categories of personnel and business associates.

10.3. Financial Controls

10.3.1. Terra shall implement financial controls that manage bribery and corruption risk.

10.3.2. Systems implemented to manage and record transactions accurately:

10.3.3. **Separation of Duties:** Different people initiate and approve payments.

i. **Tiered Authority:** Larger payments require more senior approval.

ii. **Verification:** Multiple signatures and full supporting documentation required.

iii. **Audit:** Regular independent financial audits and restricted use of cash.

10.4. Non-Financial Controls

10.4.1. Terra shall implement non-financial controls that manage bribery risk with respect to such areas as procurement, operational, sales, commercial, human resources, legal and regulatory activities.

10.4.2. Any particular transaction, activity or relationship can be subject to financial as well as non-financial controls.

10.4.3. Systems implemented for procurement and commercial operations:

i. **Approved Vendors:** Using contractors who have passed pre-qualification.

ii. **Tender Integrity:** Fair, transparent, competitive bidding (minimum 3 competitors).

iii. **Service Verification:** Confirming that services were actually carried out and that payments/commissions are proportionate and reasonable.

iv. **Documentation:** Use of standardized templates, checklists, and approval ladders.

10.5. Implementation Of Anti-Bribery and Anti-Corruption Controls by Controlled Organisations and By Business Associates

10.5.1. Terra shall implement procedures that require all other organizations over which it has control either:

i. Implement Terra's anti-bribery and anti-corruption policy, or
ii. implement their own anti-bribery and anti-corruption controls,

10.5.2. **Process Establishment and Control:** Terra is required to plan and manage its internal processes to satisfy the anti-bribery and anti-corruption (ABAC) policy. This involves setting clear performance criteria for every process and implementing specific controls to ensure those criteria are met. To maintain accountability and demonstrate compliance, Terra must keep records showing that processes were executed exactly as planned.

10.5.3. **Managing Change and Outsourcing:** To prevent integrity gaps, Terra must actively monitor both planned and unexpected changes to its operations. If a change creates an unintended risk, Terra must take immediate action to mitigate any negative effects. This oversight extends to outsourced functions; because external providers are considered business associates, Terra must ensure that these third parties are subject to the same level of control as internal departments.

10.5.4. **Risk-Based Resource Allocation:** While Terra maintains a zero-tolerance policy toward actual bribery, it may adjust its level of control based on the assessed risk of different transactions. For example, high-risk transactions require comprehensive monitoring, whereas low-risk categories—such as general retail customers—may not require intensive due diligence. This allows Terra to focus its most rigorous defenses where the threat of corruption is highest.

10.5.5. **Proportionality and Zero Tolerance:** Terra distinguishes between the risk of bribery occurring and the fact of bribery itself. Even in high-risk business environments, Terra must remain committed to its anti-corruption standards. This means that while controls are applied proportionately to the level of risk, the ultimate goal remains the total prevention of any corrupt acts across all business activities.

10.6. Anti-Bribery and Anti-Corruption Commitments

8.6 Anti-bribery and anti-corruption commitments

10.6.1. For business associates that pose more than a low bribery risk, Terra shall implement procedures that require that, as far as practicable:

i. business associates commit to preventing bribery by, on behalf of, or for the benefit of the business associate in connection with the relevant transaction, project, activity, or relationship;

ii. Terra can terminate the relationship with the business associate in the event of bribery by, on behalf of, or for the benefit of the business associate in connection with the relevant transaction, project, activity, or relationship.

10.7. Gifts, Hospitality, Donations and Similar Benefits

10.7.1. Terra shall implement procedures that are designed to prevent the offering, provision or acceptance of gifts, hospitality, donations and similar benefits where the offering, provision or acceptance is, or could reasonably be perceived as, bribery.

10.7.2. Terra allows reasonable and appropriate gifts, hospitality, and expenses to be given or received in the normal course of business, provided they are:

- Not intended to influence decisions or actions.
- Not exceeding the thresholds of local regulations or company guidelines.
- Properly recorded and disclosed. Any gifts or hospitality that exceed these thresholds must be approved by senior management.

i. **Gifts and Hospitality:** No gifts or hospitality may be accepted or offered if they are intended to influence a business decision, such as hampers, electronics, tickets, or even nominal souvenirs. Hospitality, such as business meals, travel, or entertainment.

ii. **Facilitation Payments:** Small payments made to expedite routine governmental actions or services. Terra strictly prohibits *grease payments* or small unofficial payments made to secure or expedite a routine government action.

iii. **Charitable and Political Contributions:** All donations must be legal, ethical, and approved by the Board to ensure they are not used as a cover for bribery.

iv. **Conflict of Interest:** Employees must disclose any situation where their personal interests may conflict with the interests of Terra.

v. **Prohibition of Commissions/Rebates:** Any financial incentive, discount, or percentage received in a business transaction. The acceptance of commissions by any staff, that is to include management, is strictly forbidden. In instances where management receives a commission or financial incentive, a full mandatory disclosure must be submitted to ensure transparency and prevent any conflict of interest

TOC

10.8. Declaration Of Gifts and Hospitality

10.8.1. All personnel are required to declare *(refer to Appendix A)* any gift, hospitality, or entertainment provided to or received from a third party (including customers, vendors, and business associates) within five (5) working days of the transaction. This applies regardless of whether the gift was accepted or declined.

10.8.2. The Quality Assurance Quality Control will maintain a centralized gift and hospitality record. Failure to declare a gift or hospitality in accordance with this policy shall be considered misconduct and may result in disciplinary action.

10.9. Conflict Of Interest

10.9.1. **Definition and Prohibition** A Conflict of Interest (COI) arises when the personal interests of an employee or director interfere, or appear to interfere, with the interests of Terra. All personnel must avoid situations where their loyalty to Terra could be compromised. No employee shall use their position for personal gain or to provide an unfair advantage to family, friends, or business associates.

10.9.2. **Declaration Requirement** All personnel are required to make a full disclosure of any actual or potential Conflict of Interest by completing the **Conflict-of-Interest Declaration Form**. This declaration must be made:

i. Upon joining Terra (Pre-employment);

ii. Annually, as part of Terra's compliance review;

iii. Immediately when a new potential conflict arises (e.g., during a tender process or when dealing with a new vendor).

10.9.3. **Management of Conflict** Once a conflict is declared, the Management / Compliance Officer will determine the appropriate action, which may include recusing the individual from decision-making processes involving the conflict.

10.10. Raising Concerns

10.10.1. Terra shall implement procedures which:

i. encourage and enable persons to report in good faith or based on a reasonable belief attempted, suspected and actual bribery, or any violation of or weakness in the anti-bribery and anti-corruption policy, to the anti-bribery and anti-corruption compliance function or to appropriate personnel (either directly or through an appropriate third party)

ii. except to the extent required to progress an investigation, require that Terra treat reports confidentially, to protect the identity of the reporter and of others involved or referenced in the report

iii. allow anonymous reporting *(refer to Whistleblowing Policy; TG-GE-02-006)*.

iv. prohibit retaliation, and protect those making reports from retaliation, after they have in good faith, or based on a reasonable belief, raised or reported a concern about attempted, actual or suspected bribery or violation of the anti-bribery and anti-corruption policy

10.10.2. enable personnel to receive advice from an appropriate person on what to do if faced with a concern or situation that could involve bribery.

10.10.3. Terra shall ensure that all personnel are aware of the reporting procedures and can use them, and are aware of their rights and protections under the procedures.

10.10.4. These procedures can be the same as, or form part of, those used for the reporting of other issues of concern (e.g., safety, malpractice, wrongdoing or other serious risk).

TOC

10.11. Dealing With Bribery and Corruption

10.11.1. Terra shall implement procedures that:

i. require assessment and, where appropriate, investigation of any bribery, or violation of the anti-bribery and anti-corruption policy, which is reported, detected or reasonably suspected;

ii. require appropriate action if the investigation reveals any bribery or violation of the anti-bribery and anti-corruption policy;

iii. empower and enable investigators;

iv. require co-operation in the investigation by relevant personnel;

v. require that the status and results of the investigation are reported to the anti-bribery and anti-corruption compliance function and other compliance functions, as appropriate;

vi. require that the investigation be carried out confidentially and that the outputs of the investigation are confidential.

10.11.2. The investigation shall be carried out by, and reported to, personnel who are not part of the role or function being investigated. Terra can appoint a business associate to conduct the investigation and report the results to personnel who are not part of the role or function being investigated.

10.12. Facilitation Payment

10.12.1. Facilitation payment is the term sometimes given to an illegal or unofficial payment made in return for services that the payer is legally entitled to receive without making such a payment. It is normally a relatively minor payment made to a public official or person with a certifying function to secure or expedite the performance of a routine or necessary action, such as the issuing of a visa, work permit, customs clearance or installation of a telephone. Although facilitation payments are often regarded as different in nature from, for example, a bribe paid to win business, they are illegal in most locations and are treated as bribes for this document, and they should be prohibited by Terra's anti-bribery and anti-corruption policies.

10.13. Extortion Payment

10.13.1. An extortion payment is when money is forcibly extracted from personnel by real or perceived threats to health, safety or liberty and is outside of the scope of this document. The safety and liberty of a person is paramount and many legal systems do not criminalize the making of a payment by someone who reasonably fears for their or someone else's health, safety or liberty. Terra can have a policy to permit a payment by personnel in circumstances where they have a fear of imminent danger to their own or another's health, safety or liberty.

TOC

10.14. Anti-Money Laundering and Counter Financing of Terrorism

10.14.1. Policy Statement and Purpose

Terra is committed to the highest standards of financial integrity. We prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. This section ensures that Terra is not used as a vehicle to legitimize dirty money derived from bribery, corruption, or other crimes.

10.14.2. Key Definitions

10.14.2.1. **Money Laundering:** The process of concealing the origins of money obtained illegally by passing it through complex sequences of banking transfers or commercial transactions.

10.14.2.2. **Terrorist Financing:** Providing funds or financial support to individual terrorists or non-state actors.

10.14.2.3. **Ultimate Beneficial Owner (UBO):** The natural person(s) who ultimately owns or controls a business entity or on whose behalf a transaction is being conducted.

10.14.2.4. **Red Flags:** Suspicious indicators that suggest a transaction or a relationship may involve illicit activity.

10.14.3. Know Your Counterparty (KYC) and Due Diligence

10.14.3.1. Building upon Section 10.2 (Due Diligence), all business associates, customers, and vendors must undergo AML screening before any financial engagement.

10.14.3.2. **Verification of Identity:** We must verify the legal existence of the entity and the identity of its directors.

10.14.3.3. **UBO Identification:** We shall take reasonable steps to identify the Ultimate Beneficial Owner. We will not conduct business with entities that use shell companies or anonymous bearer shares to hide ownership.

10.14.3.4. **Sanctions Screening:** All counterparties must be screened against international sanction lists (e.g., UN, OFAC, EU) to ensure we are not dealing with prohibited persons or regimes.

10.14.4. Financial Transaction Controls

10.14.4.1. To mitigate AML risks, the following financial restrictions apply:

i. **Cash Payment Prohibition:** Terra prohibits the receipt or payment of physical cash for business transactions above a minimal threshold.

ii. **Third-Party Payments:** Payments must only be made to the contracted party. We prohibit "triangulation"—where a vendor requests payment be sent to a bank account held by a different person or entity not named in the contract.

iii. **Offshore/Tax Haven Accounts:** Payments to bank accounts in jurisdictions known as "high-risk" or "non-cooperative" by the FATF require enhanced approval from the Compliance Officer.

10.14.5. Identification Anti-Money Laundering (AML) Red Flags

10.14.5.1. Employees must remain vigilant for the following indicators of potential money laundering:

i. **Overpayment/Refund Schemes:** A counterparty overpays an invoice and requests that the refund be sent to a different bank account.

ii. **Unusual Payment Logic:** A customer offers to pay the entire contract value upfront without a clear business reason.

iii. **Structuring:** A partner requests to break a large payment into multiple small installments to stay under reporting thresholds.

iv. **Vague Services:** Invoices for "consultancy" or "market research" that lack tangible deliverables (often used to mask the movement of funds).

v. **Reluctance to Provide Info:** A counterparty refuses to identify their UBO or provides contradictory information about their source of wealth.

10.14.6. Reporting of Suspicious Transactions

10.14.6.1. Any employee who identifies a red flag or suspects that a transaction involves the proceeds of crime must:

i. Immediately report the concern via the channels identified in Section 10.9 (Raising Concerns).

ii. **Non-Disclosure (Anti-Tipping Off):** Employees must not inform the counterparty that they are being investigated or that a report has been filed. "Tipping off" may be a criminal offense in many jurisdictions.

10.14.7. Record Keeping

10.14.7.1. In alignment with Section 9.5 (Documented Information), all AML-related documents—including KYC checks, UBO verifications, and suspicious activity reports—must be retained for a minimum *(refer to Document Management System; TG-QAQC-01-002)* to satisfy regulatory audit requirements.

10.15. Prohibited Practices

10.15.1. This policy applies to all employees, contractors, suppliers, business partners, and any other entities acting on behalf of Terra, both domestically and internationally. This policy covers all business activities, including but not limited. The following actions are strictly prohibited under this policy:

i. Offering or accepting bribes, kickbacks, or other forms of unlawful payments.

ii. Offering or accepting gifts, entertainment, or hospitality that could influence business decisions.

iii. Engaging in facilitation payments to expedite services.

10.15.2. Engaging in conflicts of interest that might compromise objectivity in decision-making.

10.16. Managing Inadequacy of Anti-Bribery and Anti-Corruption Controls

10.16.1. Where the due diligence conducted on a specific transaction, project, activity or relationship with a business associate establishes that existing anti-bribery and anti-corruption controls cannot manage the bribery and corruption risks. Terra cannot or does not wish to implement additional or enhanced anti-bribery and anti-corruption controls or take other appropriate steps (such as changing the nature of the transaction, project, activity or relationship) to enable Terra to manage the relevant bribery and corruption risks. Terra shall:

iv. In the case of an existing transaction, project, activity, or relationship, take steps appropriate to the bribery and corruption risks and the nature of the transaction, project, activity or relationship to terminate, discontinue, suspend or withdraw from it as soon as practicable

v. In the case of a proposed new transaction, project, activity, or relationship, postpone or decline to continue with it.

TOC

10.16.1. Reporting and Investigation

i. **Reporting:** Employees and third parties are encouraged to report any suspicious activities or violations of this policy using [Company Name]'s confidential reporting system.

ii. **Investigation:** All reported incidents will be thoroughly investigated, and corrective actions will be taken if necessary. The company will ensure no retaliation against individuals who report violations in good faith.

10.17. How to Deal Guideline

10.17.1. Terra should provide specific guidance to any personnel who may be faced with requests or demands for such payments on how to avoid them and deal with them. Such guidance could include, for example:

i. specifying action to be taken by any personnel faced with a demand for payment

ii. In the case of a facilitation payment, asking for proof that the payment is legitimate, and an official receipt for payment and, if no satisfactory proof is available, refusing to make the payment

iii. in the case of an extortion payment, making the payment if their health, safety, or liberty, or that of another, is threatened

iv. specifying action to be taken by personnel who have made a facilitation or extortion payment.

v. making a record of the event.

vi. reporting the event to an appropriate manager or the anti-bribery and anti-corruption compliance function.

vii. specifying action to be taken by Terra when personnel have made a facilitation or extortion payment.

viii. appointing an appropriate manager to investigate the event (preferably the anti-bribery and anti-corruption.

TOC

11. PERFORMANCE EVALUATION

We will implement regular audits and monitoring processes to ensure compliance with this policy and the effectiveness of the ABAC. Any violation of this policy will be taken seriously and may result in disciplinary action, including termination of employment or contracts. Legal action may also be pursued if applicable.

11.1. Monitoring, Measurement, Analysis and Evaluation

11.1.1. Terra shall determine:

i. what needs to be monitored and measured

ii. Who is responsible for monitoring

iii. the methods for monitoring, measurement, analysis and evaluation, as applicable, to ensure valid results

iv. When the monitoring and measuring shall be performed

v. when the results from monitoring and measurement shall be analyzed and evaluated

vi. to whom and how such information shall be reported

11.1.2. Terra shall retain appropriate documented information as evidence of the methods and results.

11.1.3. Terra shall evaluate the anti-bribery and anti-corruption performance and the effectiveness and efficiency of the anti-bribery and anti-corruption policy.

11.2. Internal Audit

11.2.1. Terra shall conduct internal audits at planned intervals to provide information on whether the anti-bribery and anti-corruption conforms to:

i. Terra's own requirements for its anti-bribery and anti-corruption

ii. the requirements of this document

iii. is effectively implemented and maintained

11.2.2. The scope and scale of Terra's internal audit activities can vary depending on a variety of factors, including organization size, structure, maturity and locations.

11.2.1. Terra will:

i. plan, establish, implement and maintain an audit program(s), including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned and the results of previous audits

ii. define the audit criteria and scope for each audit

iii. select competent auditors and conduct audits to ensure objectivity and the impartiality of the audit process

iv. ensure that the results of the audits are reported to relevant management, the anti-bribery and anti-corruption compliance function, top management and, as appropriate, the governing body (if any)

v. retain documented information as evidence of the implementation of the audit program and the audit results.

11.2.1. These audits shall be reasonable, proportionate and risk-based. Such audits shall consist of internal audit processes or other procedures which review procedures, controls and systems for: a) bribery or suspected bribery:

i. violation of the anti-bribery and anti-corruption policy requirements

ii. failure of business associates to conform to the applicable anti-bribery and anti-corruption requirements of Terra

iii. weaknesses in, or opportunities for improvement to, the anti-bribery and anti-corruption.

11.2.2. To ensure the objectivity and impartiality of these audit programs, Terra shall ensure that these audits are undertaken by one of the following:

i. an independent function or personnel established or appointed for this process; or

ii. the anti-bribery and anti-corruption compliance function (unless the scope of the audit includes an evaluation of the anti-bribery and anti-corruption policy itself, or similar work for which the anti-bribery and anti-corruption compliance function is responsible); or

iii. an appropriate person from a department or function other than the one being audited; or

iv. an appropriate third party; or

v. a group comprising any of i) to iv).

11.2.3. Terra shall ensure that no auditor is auditing his or her own area of work.

11.3. Management Review

11.3.1. **Top management review**

11.3.1.1. Top management shall review Terra's anti-bribery and anti-corruption policy, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness.

11.3.1.2. The top management review shall include consideration of:

11.3.1.3. the status of actions from previous management reviews;

i. changes in external and internal issues that are relevant to the anti-bribery and anti-corruption;

ii. information on the performance of the anti-bribery and anti-corruption, including trends in:

a. nonconformities and corrective actions;
b. monitoring and measurement results;
c. audit results;
d. reports of bribery;
e. investigations;
f. the nature and extent of the bribery and corruption risks faced by Terra;
g. effectiveness of actions taken to address bribery and corruption risks;
h. opportunities for continual improvement of the anti-bribery and anti-corruption, as referred to in 10.2.

11.3.1.4. The outputs of the top management review shall include decisions related to continual improvement opportunities and any need for changes to the anti-bribery and anti-corruption policy.

11.3.1.5. A summary of the results of the top management review shall be reported to the governing body (if any).

11.3.1.6. Terra shall retain documented information as evidence of the results of top management reviews.

TOC

11.3.1. **Governing body review**

11.3.1.1. The governing body (if any) shall undertake periodic reviews of the anti-bribery and anti-corruption policy based on information provided by top management and the anti-bribery and anti-corruption compliance function and any other information that the governing body requests or obtains.

11.3.1.2. Terra shall retain summary documented information as evidence of the results of governing body reviews.

11.4. Review By Anti-Bribery and Anti-Corruption Compliance Function

11.4.1. The anti-bribery and anti-corruption compliance function shall assess continually whether the anti-bribery and anti-corruption policy:

i. adequate to manage effectively the bribery and corruption risks faced by Terra;

ii. being effectively implemented.

11.4.2. The anti-bribery and anti-corruption compliance function shall report at planned intervals, and on an ad hoc basis, as appropriate, to the governing body (if any) and top management, or to a suitable committee of the governing body or top management, on the adequacy and implementation of the anti-bribery and anti-corruption, including the results of investigations and audits.

11.4.3. The frequency of such reports depends on Terra's requirements, but it is recommended to be at least annually.

11.4.4. Terra can use a business associate to assist in the review, as long as the business associate's observations are appropriately communicated to the anti-bribery and anti-corruption compliance function, top management and, as appropriate, the governing body (if any).

TOC

12. IMPROVEMENT

12.1. Nonconformity And Corrective Action

12.1.1. When a nonconformity occurs, Terra shall:

i. React promptly to the nonconformity, and as applicable

ii. Take action to control and correct it

iii. Deal with the consequences

iv. Evaluate the need for action to eliminate the cause(s) of the nonconformity, so that it does not recur or occur elsewhere

v. Reviewing the nonconformity

vi. Determining the causes of the nonconformity

vii. Determining if similar nonconformities exist, or could potentially occur

viii. Implement any action needed

ix. Review the effectiveness of any corrective action taken.

x. Make changes to the anti-bribery and anti-corruption policy, if necessary.

12.1.2. Corrective actions shall be appropriate to the effects of the nonconformities encountered.

12.1.3. Terra shall retain documented information as evidence of:

i. the nature of the nonconformities and any subsequent actions taken;

ii. the results of any corrective action.

TOC

12.2. Improvement

Terra shall establish, document, and continually review this policy. While Terra acknowledges that no system can eliminate the risk of misconduct, Terra is committed to implementing reasonable and proportionate measures to protect our organization and stakeholders from the legal and reputational damage caused by corrupt acts.

12.3. Continual Improvement

12.3.1. Terra shall continually improve the suitability, adequacy and effectiveness of the anti-bribery and anti-corruption policy.

12.3.2. This policy will be reviewed annually or when major restructuring of the company occurs to ensure its continued effectiveness in preventing and corruption. Terra is committed to continuously improving the ABAC and will implement necessary changes in response to feedback, audits, and legal or regulatory updates.

13. CROSS-REFERENCES

TG-GE-01-001	:	MANAGEMENT MANUAL
TG-GE-02-004	:	PURCHASE AND PROCUREMENT POLICY
TG-FN-02-002	:	CREDIT CONTROL POLICY
AKTA 694	:	AKTA SURUHANJAYA PENCEGAHAN RASUAH MALAYSIA 2009
AKTA 61	:	FINANCIAL PROCEDURE ACT 1957
TG-GE-02-006	:	WHISTLEBLOWING POLICY

14. APPENDICES

Appendix A	:	AD-17 Whistleblowing Incident Report Form
Appendix B	:	AD-18 Gift And Hospitality Declaration Form
Appendix C	:	AD-20 ABAC Declaration Form
Appendix D	:	AD-21 Conflict of Interest Declaration Form
Appendix E	:	QQ-02 Corruption Risk Assessment Register

Appendix A

Reference No: ______________________________

[To be assigned by Receiving Officer]

PRIVATE AND CONFIDENTIAL

*This form is intended for the reporting of genuine concerns regarding any wrongdoing, misconduct, or illegal acts. Your identity will be kept **SECRET** in accordance with the Group Whistleblowing Policy.*

SECTION A: WHISTLEBLOWER CONTACT INFORMATION

(Note: You may choose to remain ANONYMOUS. However, providing your contact details allows the Group to seek further clarification and provide you with protection under the law.)

Name:	
Employee ID / IC No:	
Department / Company:	
E-mail Address:	
Contact Number:	

SECTION B: DETAILS OF THE INCIDENT / WRONGDOING

1. Type of Misconduct (Please tick the most relevant):

- [ ] Bribery / Corruption (MACC Act compliance)
- [ ] Fraud / Theft / Embezzlement of money
- [ ] Conflict of Interest
- [ ] Misuse of Company Assets / Power
- [ ] Safety / Health Violation (Dangerous physical condition)
- [ ] Breach of Law / Regulatory Non-compliance
- [ ] Other (Please specify): ______________________________

2. Date and Time of Incident: ____________________________

3. Location of Incident: ____________________________

4. Identity of Person(s) Involved (Respondent): *(Name and Position, if known)* ____________________________

5. Description of the Incident: *(Please provide a detailed account of what happened. Attach additional sheets if necessary.)*

____

____

____

SECTION C: EVIDENCE and WITNESSES

1. Do you have any documents, photos, or recordings as evidence?
[ ] Yes (Please attach) [ ] No

2. List of potential witnesses (if any):

____

____

SECTION D: DECLARATION

I hereby declare that the information provided in this report is true and made in good faith to the best of my knowledge. I understand that I am protected against any **detrimental** action as a result of this report. I also understand that making a false or malicious report may lead to disciplinary action.

Signature: ________________________ **Date:** ____________________

Submission Instructions:

Please submit this form in a sealed envelope marked **"STRICTLY CONFIDENTIAL"** and **POST** it to the Terra Office, or **EMAIL** it directly to speakup@terra.com.my

FOR OFFICE USE ONLY

Received By: ______________________ **Date Received:** ______________________

Case Reference: ______________________ **Initial Category:** ______________________

Action Taken (Tick one):

- [ ] Proceed to Full Investigation
- [ ] Insufficient Evidence (Request more info)
- [ ] Referred to Other Department (e.g., HR)
- [ ] Case Closed (State reason)

Appendix B

SECTION A: DECLARANT DETAILS

Name: ______________________________

Department / Subsidiary: ______________________

Position: ______________________________

SECTION B: DETAILS OF GIFT / HOSPITALITY

1. **Type of Declaration:**
   [ ] Received
   [ ] Offered/Given
   [ ] Declined

2. **Description of Item/Event:** *(e.g., Hamper, meal, event tickets, souvenir)*

3. **Estimated Value (RM):** ____________________

4. **Occasion / Purpose:** *(e.g., Festive season, project completion, courtesy visit)*

5. **Counterparty Details: Name of Individual:**

   Company Name: ______________________________

   Relationship to Terra Group: ____________________

SECTION C: DECLARATION AND APPROVAL

Declarant's Statement: I hereby declare that the information provided above is accurate and that this gift/hospitality was not offered or received with the intent to influence a business decision or obtain an unfair advantage.

Signature: ____________________ **Date:** ____________________

Approval (For items exceeding threshold):

[ ] Approved

[ ] Share (with others)

[ ] Display (public area)

[ ] Not Approved / Must be Returned / Donate

Approver Signature: ______________________ **Date:** ____________________

(Head of Department / QAQC)

Appendix C

1. CORE OBJECTIVES AND SCOPE

Bribery Definition: The offering, giving, receiving, or soliciting of something of value with the intent to influence the actions of an individual in the performance of their official or professional duties.

Corruption Definition: The abuse of entrusted power for personal gain, including bribery and other unethical practices.

Anti-Bribery Policy Statement
The Group is committed to conducting its business operations with the highest level of integrity, transparency, and accountability. The Group adopts a **zero-tolerance approach** toward all forms of bribery and corruption, and is dedicated to acting professionally, fairly, and with integrity in all business dealings.

Anti-Corruption Policy Statement
All business dealings must be conducted honestly, fairly, and in strict compliance with applicable laws and regulations. No employee or representative shall offer, give, solicit, or accept any improper advantage or commission, whether financial or non-financial.

2. GOVERNANCE AND RESPONSIBILITIES

i. **Board of Directors and Senior Management**: Provide leadership, oversight, and resources to enforce. The Board has overall responsibility for the implementation.
ii. **Middle Management:** Responsible for zero tolerance within their departments and ensuring employees do not face retaliation for refusing to participate in unethical acts.
iii. **Employee:** Comply with the policy, report suspected corruption in accordance with the reporting procedures.
iv. **Compliance Function:** A dedicated team manages day-to-day operations, provides guidance, and reports directly to top management on system performance.

3. CONTROLS AND PREVENTION

i. **Risk Assessments:** Annual assessments identify high-priority threats.
ii. **Due Diligence:** Rigorous vetting of all third parties before engagement to ensure they meet Terra's ethical standards.
iii. **Financial and Non-Financial Controls:** Requirements for dual signatories on high-value transactions. Standardized procurement eliminates favouritism.

4. REPORTING AND CONTINUOUS IMPROVEMENT

i. **Whistleblowing:** Secure, confidential channels for reporting suspected misconduct. Email it to speakup@terra.com.my
ii. **Non-Retaliation:** Terra guarantees that no person will suffer detrimental treatment for reporting concerns in good faith or for refusing to participate in bribery.
iii. **Investigations:** All reports trigger assessment and objective investigation, potentially leading to disciplinary action or legal reporting to the authorities.

5. OPERATIONAL IMPLEMENTATION

5.1. Investigations and Corrective Action

i. A report through the Whistleblowing Channel.
ii. Shall immediately initiate a preliminary assessment.
iii. Corrective and remedial actions will follow once the investigation has been completed.

5.2. Anti-Bribery and Anti-Corruption Commitments

i. Commit to preventing bribery by, on behalf of, or for the benefit of the business associate;
ii. Terminate the relationship with the business associate in the event of bribery by, on behalf of, or for the benefit of the business associate.

5.3. Gifts, Hospitality, Donations and Similar Benefits

i. Prohibition of offering, acceptance of gifts/commission, hospitality, donations and similar benefits where the offering, or could reasonably be perceived as, bribery.
ii. Use the AD-18 Gift and Hospitality Declaration form

5.4. Conflict Of Interest

i. A Conflict of Interest (COI) arises when the personal interests, or those that appear to interfere, conflict with the interests of Terra. Declare the COI using the AD-21 Conflict of Interest Declaration form.

5.5. Raising Concerns

i. Encourage and enable persons to report in good faith or based on a reasonable belief attempted, suspected and actual bribery, any violation of or weakness in the anti-bribery and anti-corruption policy

5.6. Investigations and Corrective Action Dealing with Bribery and Corruption

i. Require assessment and, where appropriate, investigation

5.7. Facilitation Payment

i. An illegal or unofficial payment made in return for services

5.8. Extortion Payment

i. Money is forcibly extracted from personnel

5.9. Prohibited Practices

i. Offering or accepting bribes, kickbacks, or other forms of unlawful payments.
ii. Offering or accepting gifts, entertainment, or hospitality that could influence business decisions.
iii. Engaging in facilitation payments to expedite services.

6. IMPROVEMENT

- From lessons learned / new updates in ISO or new Laws or Acts.

7. POLICY

Please refer to policy **TG-GE-02-001; Anti-Bribery and Anti-Corruption** for full details.

Appendix D

Section 1: Declarant's Details

Field	Details
Full Name (as per MyKad/Passport):	
Employee ID / Designation:	
Department / Subsidiary:	
Email Address and Contact No.:	

Section 2: Declaration Status

(Please tick ***ONE*** *box only)*

1. [ ] **OPTION A: NO CONFLICT TO DECLARE**
   I hereby declare that neither I nor any of my immediate family members (spouse, parents, children, siblings) have any personal, financial, or business interests that conflict, or may potentially conflict, with the business operations, assets, or interests of the Group.

2. [ ] **OPTION B: CONFLICT TO DECLARE**
   I hereby declare that an immediate family member or I have an interest or involvement that may create a real, potential, or perceived conflict of interest with the Group. *(Please fill out Section 3 below.)*

Section 3: Details of Potential / Actual Conflict

(Complete this section only if you selected ***Option B*** *above. Attach additional sheets if necessary.)*

1. **Type of Conflict:**
   (Please tick ✓)

- [ ] Ownership/Shares in a competing company or supplier/subcontractor.
- [ ] Directorship, employment, or consultancy with an external business entity.
- [ ] Family relationship with an existing employee, supplier, vendor, or subcontractor.
- [ ] Outside business activity or secondary employment.
- [ ] Other (Please specify): ______________________________

2. **Description of the Conflict:**
   (Please describe the nature of the interest, the entities involved, names of family members if applicable, and how it impacts or may impact your duties at the Group.)

3. **Your Proposed Mitigation Plan:**
   (How do you propose to manage this conflict to ensure objectivity? E.g., recusing yourself from vendor selection or pricing discussions)

Section 4: Declarant's Acknowledgment and Signature

By signing below, I certify that the information provided in this form is true, accurate, and complete to the best of my knowledge. I understand that failure to disclose a conflict of interest, or providing false information, constitutes a breach of the Terra rules and policies and may result in disciplinary action up to and including termination of employment or contract.

I also undertake to update this declaration within **fourteen (14) days** should there be any change in my circumstances that creates a new conflict of interest.

Signature of Declarant

Date: ______________________________

Section 5: Review and Management Action

(To be completed by the Head of Department / HR / Compliance)

- [ ] **Reviewed. No conflict exists.** No further action required.
- [ ] **Reviewed. Conflict exists but is managed.** The following mitigation plan has been agreed upon:

Mitigation Measures:

[ ] Declarant will recuse themselves from all decision-making regarding Vendor/Client:

____

[ ] Declarant's system access to confidential files regarding this matter will be restricted.

[ ] Other measures:

____

____

____

Signature of Reviewing Officer

Name:

Designation:

Date

Appendix E

1. The Core Risk Formula

To determine your numerical standing, the Group uses the standard international risk equation:

Risk Score (R) = Likelihood (L) x Impact (I)

i. **Likelihood (L)**
ii. **Impact (I)**

Explanation

i. Likelihood (L)
The probability of the corrupt act occurring or slipping past internal controls (scored **1 to 5**).

Score	Rating	Operational and Control Definition
5	**Almost Certain**	Occurs multiple times a year, or is systemic in the local industry. **Zero internal controls** exist for this process, or controls are completely ignored. High reliance on unchecked third-party agents.
4	**Likely**	Occurs at least once a year. Internal policies exist on paper, but **site teams frequently bypass them** to meet project deadlines. Monitoring is weak.
3	**Possible**	Has occurred in the Group previously or happens occasionally. Controls are present but rely heavily on **manual oversight** and human intervention (easy to manipulate).
2	**Unlikely**	Rare occurrence. Strong, automated internal controls and clear separation of duties are active. Staff receive mandatory, regular training.
1	**Rare**	Exceptional circumstances only. Bulletproof, independently audited system. **100% transparency** with electronic audit trails for every transaction.

ii. **Impact (I)**

The maximum legal, financial, and reputational damage the Group would suffer if the act occurred (scored **1 to 5**).

Score	Rating	Legal, Financial and Corporate Damage
5	**Catastrophic**	Direct **MACC Section 17A corporate liability** exposure. Involves bribing government/public officials. Criminal prosecution of Directors. Financial damage **greater than RM 50,000**. Blacklisting by CIDB or Bursa Malaysia.
4	**Major**	Active **tender rigging**, collusion, or kickbacks. Deliberate policy bypass by Department Heads or Senior Managers. Financial exposure of **RM 10,000 to RM 50,000**. Potential localized regulatory fines.
3	**Moderate**	Low-level **facilitation payments** ("speed money") are paid to front-line inspectors on-site. Conflict of interest involving a mid-tier subcontractor—financial exposure of **RM 1,000 to RM 10,000**.
2	**Minor**	Internal policy deviation with **no external legal impact**. Personal gain is accidental, unauthorized, or minimal (**less than RM 1,000**). No threat to business continuity.
1	**Insignificant**	Purely administrative error (e.g., an employee registering a legitimate festive gift basket two weeks late, or a vendor delaying their signed Integrity Pledge). No financial or legal risk.

2. **The Numerical Severity Scale (Color Levels)**
   Once the calculation is complete, the resulting number maps directly to an actionable severity level. This tiering dictates how fast management must act.

Calculated Number	Severity Level	UI Color Indicator	Operational Meaning and Immediate Action Required
16 to 25	Critical Risk	Red	**Extreme Exposure:** Threatens corporate survival. Immediate "stop-work" or freeze on affected operations. Must report to the Board/Audit Committee within **24 hours**.
10 to 15	High Risk	Orange	**Major Breach:** Deliberate bypass of core anti-corruption controls. A full formal investigation must be launched within **3 to 5 days**.
5 to 9	Moderate Risk	Yellow	**Moderate Vulnerability:** Systemic operational gaps or gray areas. Standard compliance investigation and rectification required within **14 days**.
1 to 4	Low Risk	Green	**Minor Oversight:** Purely administrative errors with zero corrupt intent. Address via routine monitoring and coaching during the next audit cycle.

3. **Step-by-Step Calculation Examples**

   Example A: Kickback in Subcontractor Procurement

   i. **The Scenario:** A project manager colludes with a waterproofing subcontractor, leaking competitor pricing data to ensure they win an RM 500,000 construction package. Bidding documents are managed via manual emails, meaning visibility is low.

   ii. **Likelihood Evaluation:** Because the bidding system is manual and unmonitored, the probability of this occurring or going unnoticed is **Likely (Score 4)**.

   iii. **Impact Evaluation:** Tender rigging is a severe criminal breach under the MACC Act, involves a project manager, and carries major financial value → **Major (Score 4)**.

   iv. **The Math:**

$$\begin{aligned}\text{Risk Score (R)} &= \text{Likelihood (L)} \times \text{Impact (I)}\\ R &= 4 \times 4\\ &= 16\end{aligned}$$

v. **Where You Stand: 16 (Critical / Red)**. The procurement must be frozen immediately, the project manager suspended pending inquiry, and the Board notified.

Example B: Speed Money for Site Clearance

i. **The Scenario:** A site supervisor pays RM 1,500 cash to a local municipal worker to immediately clear an unapproved waste dump and avoid a site fine. It is common practice on this specific project site because cash advances are easily accessible.

ii. **Likelihood Evaluation:** High accessibility to unmonitored cash advances makes this practice **Almost Certain (Score 5)** to keep happening.

iii. **Impact Evaluation:** This is a low-level facilitation payment to a public worker under RM10,000 → **Moderate (Score 3)**.

iv. **The Math:**

$$\begin{aligned} \text{Risk Score (R)} &= \text{Likelihood (L)} \times \text{Impact (I)} \\ R &= 5 \times 3 \\ &= 15 \end{aligned}$$

v. **Where You Stand: 15 (High / Orange)**. Even though the money spent was low, the high likelihood pushes the score into the Orange zone. Immediate corrective action must be taken to withdraw site cash advance privileges and audit the supervisor.

TERRA GROUP OF COMPANIES	**BRIBERY AND CORRUPTION RISK REGISTER**	Doc No. Rev. Effective Date	QQ-02 00 04.05.2026	Appendix E

ID	Date raised	Risk description	Potential consequences	Risk Category	Likelihood of the risk occurring	Impact if the risk occurs	Gross Risk - Severity *Rating based on impact & likelihood.*	Risk Owner *Person who will manage the risk.*	Existing Controls - Mitigating action *Actions to mitigate the risk e.g. reduce the likelihood.*
1	24/04/2026	Bribery of a government official to secure, retain, or influence improper business direction	1. Lower profit 2. Cash outflow 3. Legal consequences 4. Reputation loss	Financial	Rare	High	High	Compliance Manager	1. Anti-corruption training 2. Whistleblower channel 3. Annual audit
2	24/04/2026	Offering intentional gifts to procurement officer	1. Reputation loss 2. Legal consequences	Financial & Reputation	Possible	Moderate	Moderate	Procurement Head	1. ABAC training 2. Circulate “No Gift Policy” 3. Gift declaration
3	24/04/2026	Manipulation of financial records to conceal corrupt payments	1. Audit failure 2. Legal prosecution 3. Shareholder loss	Financial & Legal	Rare	High	High	CFO	1. External audit 2. Strong internal controls 3. Automated monitoring
4	24/04/2026	Nepotism in recruitment or promotions	1. Reduced morale 2. Talent drain 3. Reputation loss	HR & Reputation	Possible	Moderate	Moderate	HR Director	1. Transparent recruitment process 2. Independent interview panels 3. HR audits
5	24/04/2026	Misuse of charitable donations or sponsorships	1. Regulatory fines 2. Public backlash 3. Loss of credibility	Reputation	Possible	Moderate	Moderate	CSR Manager	1. Donation approval process 2. Public disclosure 3. Annual CSR audit
6	24/04/2026	Collusion with competitors (cartel behavior)	1. Antitrust penalties 2. Market exclusion 3. Reputation damage	Legal & Financial	Rare	High	High	CEO	1. Competition law training 2. Legal review of agreements 3. Monitoring of market practices
7	24/04/2026	Political contributions without disclosure	1. Legal sanctions 2. Reputational damage	Legal & Reputation	Rare	Moderate	Moderate	Board Secretary	1. Disclosure policy 2. Board oversight 3. Annual compliance review
8	24/04/2026	Facilitation payments paid to government officials to expedite routine approvals (permits/licenses).	1. Legal penalties 2. Reputation damage 3. Encouragement of systemic corruption	Legal & Reputation	Possible	Major	High	Head of Operations	1. Clear policy prohibiting facilitation payments. 2. Internal reporting of all official payments. 3. Training on how to refuse such requests.
9	24/04/2026	Conflicts of interest in procurement: employees awarding contracts to vendors owned by family/friends without disclosure.	1. Poor quality of service 2. Financial loss (non-competitive pricing) 3. Employee morale impact	Financial & Reputation	Possible	Moderate	Moderate	Procurement Manager	1. Mandatory annual conflict of interest declaration. 2. Competitive bidding process (3 quotes). 3. Vendor vetting process.

Prepared by : Mohd Zaharuddin

ID	Date raised	Risk description	Potential consequences	Risk Category	Likelihood of the risk occurring	Impact if the risk occurs	Gross Risk - Severity *Rating based on impact & likelihood.*	Risk Owner *Person who will manage the risk.*	Existing Controls - Mitigating action *Actions to mitigate the risk e.g. reduce the likelihood.*
10	24/04/2026	Kickbacks from suppliers in exchange for awarding contracts or approving inflated invoices.	1. Financial loss 2. Sub-standard products/services 3. Legal liability	Financial	Low	Major	High	Chief Financial Officer	1. Segregation of duties (ordering vs payment). 2. Regular supplier audits. 3. Whistleblowing mechanism.
11	24/04/2026	Charitable contributions or sponsorships used as a veil for bribery to influence decision-makers.	1. Misuse of corporate funds 2. Severe legal and regulatory fines 3. Significant reputation loss	Legal & Reputation	Rare	Major	Moderate	Compliance Officer	1. Due diligence on all charitable recipients. 2. Approval limit for donations. 3. Public disclosure of contributions.
12	24/04/2026	Falsification of travel and entertainment expense claims for personal enrichment.	1. Incremental financial loss 2. Culture of dishonesty	Financial	Possbile	Low	Low	HR Manager	1. Automated expense management system. 2. Receipt requirement for all claims. 3. Managerial review and periodic audits.
13	24/04/2026	Bid-rigging or collusion between employees and external contractors during the tender process.	1. Unfair competition 2. Excessive project costs 3. Regulatory investigation	Financial & Legal	Low	Major	High	Head of Procurement	1. Closed-bid tender processes. 2. Independent review panel for large contracts. 3. Integrity pacts with vendors.
14	24/04/2026	Hiring of "ghost employees" or relatives of government officials to influence business outcomes.	1. Financial loss 2. Legal prosecution for bribery 3. Reputational damage	Legal & Financial	Rare	Major	Moderate	HR Director	1. Verification of all new hires. 2. HR audit of payroll vs headcount. 3. Policy on hiring politically exposed persons (PEPs).
15	24/04/2026	Inappropriate use of corporate entertainment/hospitality to influence high-level business decisions.	1. Breach of anti-bribery laws 2. Public perception of bias	Reputation & Legal	Possbile	Moderate	Moderate	Head of Sales	1. Hospitality and entertainment spending limits. 2. Pre-approval requirement for high-value hospitality. 3. Centralized hospitality register.

Prepared by : Mohd Zaharuddin