

TENAGA CABLE INDUSTRIES SDN. BHD.

PROCUREMENT CODE OF CONDUCT

Introduction

Good corporate governance is being introduced throughout the world as a business imperative offering competitive advantage. At TCI, our stakeholders, Directors and Employees prefer to do business with enterprises that uphold the principles of good corporate governance, namely integrity, transparency, independence, accountability, fairness, and social responsibility. In this respect, procurement is critical as it plays an important role in our business. An effective procurement function enables TCI to:

- Provide high quality products and services to our customers;
- Be responsive to our customers' needs;
- Be cost effective and efficient in our operations;
- Work more productively with our Suppliers/Contractors; and
- Preserve TCI's good name and reputation.

For TCI's procurement function to be effective, we believe that all participants in our Procurement Processes need to engage in the basic principles of trust, honesty, fairness and transparent behaviour.

With this Code, we hope to clarify and institutionalise:

- What is considered to be acceptable business behaviour and by implication, what behaviour is not tolerated by TCI;
- Available channels to communicate or report unethical behaviour; and
- The implications of non-compliance to the Code.

The Code is intended for all those involved in the Procurement Processes of TCI including:

- All Directors;
- All Employees and Employees Seconded to TCI;
- All existing and potential Suppliers/Contractors including their directors and employees.

Breach of Code

Breach Of The Code By Employees

Breaches of the Code may result in disciplinary actions being invoked against the Employees concerned in accordance to "Prosedur Tata tertib Tenaga Cable Industries Sdn. Bhd." or any disciplinary procedures that are currently in force. Breaches of the Code by Employees Seconded to TCI may result in disciplinary actions being invoked against the seconded employees in accordance to the rules and procedures of their respective employers.



Breach Of The Code By Directors

For Directors, breaches of the Code may result in disciplinary actions in accordance to the Malaysian Companies Act 1965.

Breach Of The Code By Suppliers/Contractors

Suppliers/Contractors who have committed a breach of the Code shall be subjected to the following action:

- Penalties or any contractual or legal remedies under the law;
- Immediate termination of contract;
- Disclosure of nature of breach to TCI;
- Blacklisted by TCI and shall be precluded from tendering for any work in the supply chain for the specified period.

Principles of Code

The Code is guided by eight principles of conduct, which reflects the core beliefs, and values of our organisation (please refer to Table 1). The Code focuses on three key tenets of ethical conduct:

- Zero tolerance on corruption;
- No conflict of interest; and
- Honest and accurate representation of capabilities.

Table 1: Key principles of the Code

HONESTY AND FAIRNESS	PARTIES SHALL CONDUCT ALL PROCUREMENT AND BUSINESS DEALINGS WITH HONESTY AND FAIRNESS.
Accountability and transparency	The process for awarding contracts shall be open, transparent, and must be made on good justifiable grounds.
Declaration of interest	Parties shall declare potential conflicts of interest.
Compliance of law	Parties shall comply with all legal obligations including laws of Malaysia and contractual obligations.
Anti-competitive practice	Parties shall not engage in procurement practices that are anti-competitive.
Unfair advantage	Parties shall not engage in procurement practices that result in unfair advantages.
Parties' commitment	Parties shall not submit tenders without firm intention, conviction and/or capacity to proceed with a contract.
Good co-operation	Parties shall endeavour to maintain business relationships based on open and good communication, respect, trust and adopt a non-adversarial approach to dispute resolution.

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Our Policy On Corruption

It is entrenched in the law of the country that all forms of Corruption are illegal. Therefore, all Employees, Employees Seconded to TCI, Directors and Suppliers/Contractors shall not engage in such practices. It is TCI's policy that all Employees, Employees Seconded to TCI, Directors and Suppliers/Contractors conduct their work/business in accordance with the following ethical standards: Suppliers/Contractors Ethical Standards:

- Not to offer money, goods or services, to any of Employees, Employees Seconded to TCI, Directors or any official as consideration for their decision, opinion, recommendation, vote or other exercise of discretion;
- Not to offer, give, agree or promise to give, in any manner, gratuity to Employees, Employees Seconded to TCI and Directors.

In the event that Employees or Directors commit any of the above acts, the Suppliers/ Contractors shall report such acts to the Authorised Representatives of TCI and in the case of Directors, to the Official Authorities. Employees, Employees Seconded to TCI and Directors Ethical Standards:

DO'S	DON'TS
Choose Suppliers/Contractors based on merits and compliance with TNB's procurement requirements.	Engage in activities that compromise the Supplier/Contractor selection process.
Be on the alert and report any suspected non-compliance of the Code by Suppliers/Contractors, Employees and Employees Seconded to TNB or Directors.	Engage in corrupt practices, accept or give bribes, kickbacks or gratuity.
Report any non-compliance by Suppliers/Contractors, Employees and Employees Seconded to TNB or Directors to Authorised Representatives of TNB or the Official Authorities.	Not to release any Suppliers/Contractors business information, e.g., proposed rates, winning bid information to any parties.
Maintain and observe the highest ethical standards when dealing with a customer and Supplier/Contractor.	

Our Position On Conflicts Of Interest

Employees, Employees Seconded to TCI and Directors must exercise sound judgement and avoid Conflicts of Interest. If an Employee or Employee Seconded to TCI has, or potentially will have, conflict of interest with Suppliers/Contractors, the individual must immediately notify such conflict to his or her Supervising Officer. The Supervising Officer shall decide whether the individual should recuse himself or herself from the procurement process and seek alternatives. In the case where the Supervising Officer is potentially in conflict of interest, the individual must notify a higher authority Supervising Officer or as a last resort, the Internal Affairs, Internal Audit or Security Departments of TCI. If a Director has or potentially will have Conflicts of Interest, the Director should immediately notify such conflicts to the Chairman of TCI's Board of Directors and/or recuse himself or herself from the procurement process.

Representations From Suppliers Or Contractors

Suppliers/Contractors must declare in writing to TCI that:

- They will comply with all legislations, regulations and statutory requirements relating to the provision of the products/services to TCI;
- They are not related (e.g., common shareholders, Board members, senior management) to any of the other Suppliers/Contractors participating in the same bid;
- They will not conspire or collude with other Suppliers/Contractors or agents when participating in a bid;
- They are duly authorised/certified provider of the products/services and shall not, expressly or impliedly hold themselves out to be an agent/representative of a third party service provider for similar products/services;
- They will at all times supply products that are certified to be of merchantable and satisfactory quality;
- They possess and utilise the necessary capabilities, equipments and suitable place of business to perform their obligations;
- They shall not subcontract or outsource any portion of the products/services unless prior written consent from TCI has been obtained;
- They shall maintain the highest standards of integrity and quality of work at all times.
If the Suppliers/Contractors are companies with Bumiputera status, the Suppliers/Contractors undertake that their:
 - The majority (at least 51%) of shareholding/equity are Bumiputera;
 - The majority (at least 51%) of their employees are Bumiputeras;
 - Key positions in the Suppliers'/Contractors' organization, such as the Chief Executive Officer, the Chief Operating Officer, the Managing Director, the General Manager or the Chief Financial Officer or any other such person responsible for finance are held by Bumiputeras; and/or
 - All other guidelines that determine a company's qualification for Bumiputera status are complied with.

Application of the Code

Employees, Employees Seconded to TCI, Directors and Suppliers/Contractors including their employees and directors, shall adhere to the Code at all times.

Requirements From Employees, Employees Seconded to TCI and Directors

All Employees, Employees Seconded to TCI and Directors are accountable and responsible in complying with the detail and spirit of the Code. In fulfilling these responsibilities each Employee, Employee Seconded to TCI and Director must:

- Read, understand and internalise the Code;
- Participate in training and educational programmes/events required for his/her job

- Obtain guidance for resolving a business practice or compliance concern if he/she is uncertain about how to proceed in a situation;
- Report possible violations of the Code;
- Cooperate fully in any investigation which may be conducted by TCI's personnel appointed by TCI management; and
- Make a commitment to conduct TCI's business with integrity, in compliance with the Code as well as applicable company policies, laws and regulatory requirements.

Requirements From Suppliers or Contractors

All current and potential Suppliers/Contractors must adhere to the principles and policies prescribed in the Code. In fulfilling these responsibilities, Supplier/Contractor, their employees and representatives must:

- Read, understand and internalise the Code;
- Comply with the Code;
- Report possible violations of the Code by informing Authorised Representatives of TCI; and
- Cooperate fully in any investigation or audit by Authorised Representatives of TCI with regards to compliance to this Code.

TCI will only deal with Suppliers/Contractors who adopt and adhere to the Code and/or any other policies or code of conduct that aims to promote similar principles as the Code. In this respect, TCI will monitor the performance of its Suppliers/Contractors and will take necessary action when there is non-compliance or breaches of the Code. To ensure the compliance of the Code, Suppliers/Contractors must:

- Maintain all accurate and complete documentations to support compliance;
- Provide Authorised Representatives of TCI with complete and unrestricted access to relevant records, upon TCI's request;
- Allow Authorised Representatives of TCI to conduct confidential interviews with their management, directors and employees individually;
- Allow Authorised Representatives of TCI to conduct site visits to the Suppliers'/Contractors' locations in any manner; and
- Respond promptly to inquiries from Authorised Representatives of TCI regarding implementation of the Code.