

**TERMS OF REFERENCE FOR INTEGRITY AND GOVERNANCE UNIT (“TOR IGU”),**

**SAPURA RESOURCES BERHAD**

**1. BACKGROUND**

- 1.1. Sapura Resources Berhad (“SRB”) Integrity and Governance Unit (“IGU”) was established pursuant to present business needs; and to demonstrate SRB’s on-going commitment towards good governance.
- 1.2. The business needs include directives from regulatory bodies in the need for SRB to establish an IGU.
- 1.3. The role of the IGU is to manage bribery and corruption matters within SRB and its group of companies, and to foster principle of abhorring corruption, abuse of power and malpractices at SRB through four (4) core functions, namely:
  - 1.3.1. Complaints Management;
  - 1.3.2. Detection and Verification;
  - 1.3.3. Integrity Enhancement; and
  - 1.3.4. Governance

**2. ORGANISATIONAL STRUCTURE**

- 2.1. The Unit would be headed by the Head of Legal, SRB (herewith referred to as “Integrity Officer”); and where appropriate (at discretion of the SRB’s Audit Committee) and without compromising the perception of independence of the unit, shall be administratively assisted by the following divisions/functions within SRB:
  - 2.1.1. Corporate Secretarial;
  - 2.1.2. Legal;
  - 2.1.3. Human Resources; and
  - 2.1.4. Finance

**3. ROLES AND RESPONSIBILITY**

- 3.1. SRB’s Organisational Anti-Corruption Plan (“OACP”)
  - 3.1.1. The Integrity Officer shall develop and facilitate implementation of OACP in addressing integrity, governance and anti-corruption issues within SRB and in relations to SRB’s functions.

3.1.2. The Integrity Officer may at his/her discretion work together with other organisations in implementing the OACP which includes, but not limited to the following:

- Malaysian Anti-Corruption Commission (MACC);
- National Centre for Governance, Integrity, and Anti-Corruption (GIACC); and
- Malaysian Institute of Integrity (IIM).

3.1.3. The OACP may include the following activities/initiatives:

- Periodic Internal Control Reviews especially on business area/business processes where risk of bribery and corruption is present.
- Training/awareness initiatives for its employees.

3.1.4. The Integrity Officer shall monitor OACP implementation and periodically review them in accordance with available subscribed guidelines and directives.

### 3.2. Conflict of Interest Declaration

3.2.1. The Integrity Officer oversees the conflict-of-interest reporting mechanism and in prescribing necessary action plan that should be taken in order to avoid appearance of conflict before any approval on transaction/contract is granted by highest office bearers designated in SRB's Limit of Authority ("LOA").

3.2.2. The Integrity Officer shall ensure that declaration of board members and key management personnel's interest as stipulated in the ABC Policy is done to the general public via the SRB website (as part of director's biography) and/or via annual report.

### 3.3. Whistleblowing mechanism

3.3.1. The Integrity Officer shall oversee the whistleblowing mechanism in place at SRB and act as first point of recipient of any or potential violation of SRB Code of conduct, local regulations and laws otherwise known as tipping.

3.3.2. In line with the Whistleblowing policy, the Integrity Officer shall use his/her discretion in escalating concerns/tipping that may implicate members of the management and board members to the Whistleblowing Committee for further action.

### 3.4. Gift, Hospitality and Entertainment Policy

3.4.1. In line with SRB's GHE Policy, the Integrity Officer alongside with Head of Divisions of SRB shall oversee continuous compliance towards the GHE Policy including its awareness, periodic review and gift declaration mechanism.

### 3.5. Reporting on matters pertaining to Anti-Bribery and Corruption

3.5.1. The Integrity Officer shall be responsible in submitting periodic report to the BARC and Board on matters pertaining to anti-bribery, corruption and whistleblowing, if any.

### 3.6. Review of SRB Policies and Procedures

3.6.1. The Integrity Officer shall from time to time as prescribed in the respective policies or whenever necessary review, update and seek board approval, and disseminate updated versions the following policies and procedure:

- SRB Anti Bribery and Corruption Policy (“ABC Policy”);
- SRB Conflict of Interest Policy (“COI Policy”);
- SRB Whistleblowing Policy; and
- SRB Gift, Hospitality and Entertainment Policy (“Gift Policy”)

## **4. INTEGRITY OFFICER**

4.1. Integrity Officer shall be appointed by the Board Audit and Risk Committee of SRB in accordance with the Board Audit and Risk Committee Terms of Reference (“TOR of BARC”) and shall be functionally responsible to the BARC.

4.2. The Integrity Officer is administratively responsible to the Managing Director and the Management of SRB.

4.3. BARC is to appraise Integrity Officer performance in the deliveries of the position’s Roles and Responsibilities with considerable weightage given to the performance in leading SRB OACB deliveries and compliance to applicable SRB policies and procedures.

4.4. The Integrity Officer shall possess the necessary competence based on standards stipulated by agencies such as MACC, GIACC and/or IIM; and shall possess independence not just in appearance but in mind in order to effectively discharge his/her roles and responsibility stipulated here.

## **5. AUTHORITY**

5.1. IGU shall have authority over matters in relation to the ABC Policy and Whistleblowing Policy.

## **6. REPORTING AUTHORITY**

6.1. The IGU and the Integrity Officer shall have reporting responsibilities directly to the BARC and the Board of Directors.

## **7. REVIEW**

7.1. The Integrity Officer shall review this IGU TOR at least biennially or as and when required. The review shall include identifying improvements to the terms of reference and other matters before presenting to the BARC and/or Board for their approval.

7.2. Upon approval, the IGU TOR shall be made publicly available for access and reference by anyone within the organisation.