

MALAYSIA DEBT VENTURES BERHAD  Document no: IACP-V1/2019	INTEGRITY & ANTI-CORRUPTION POLICY			RESTRICTED
	Effective Date 2019	Version No.	Revision No. -	



# INTEGRITY & ANTI-CORRUPTION POLICY

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## Abbreviations

BOD	-	Board of Directors
BRMC	-	Board Risk Management Committee
Company/MDV	-	Malaysia Debt Ventures Berhad
EVP	-	Executive Vice President
HCD	-	Human Capital Department
HOD	-	Head of Divisions/ Departments
IACP/Policy	-	Integrity & Anti-Corruption Policy
IACSOP/SOP	-	Integrity & Anti-Corruption Standard Operating Procedures
KRP	-	Key Responsible Person
MACC	-	Malaysian Anti-Corruption Commission
RMC	-	Risk Management Committee
RMD	-	Risk Management Division
SAVP	-	Senior Assistant Vice President
SVP	-	Senior Vice President
VP	-	Vice President

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## Document Revision History

Version	Date	Document No.	Summary of Changes
1	14/8/2019	IACP-V1/2019	Original Document

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## Preface

### Policy Statement

MDV adopts a zero tolerance policy against all forms of bribery and corruption. The MDV's Code of Conduct sets out MDV's core principles on this matter. The document, namely MDV's Integrity and Anti-Corruption Policy & SOP (hereinafter referred to as "IACP" or "the Policy" and "IACSOP" or "the SOP") will elaborate on these principles, by providing guidance to employees on how to deal with any improper solicitation, bribery and other corrupt activities and issues that may arise in the course of doing business.

### Related Documents

This Policy shall be the master document for integrity & anti-corruption and should be read together with the IACSOP.

### Getting Help

Should any clarification and explanation is required, the employee is to consult their immediate supervisor/HODs and/or SAVP/VP/SVP/EVP of the respective division/department who shall refer the matter to RMD.

### Change Request

For any amendments or changes that need to be made to this document, please forward the recommendations to RMD.

### Document Creation Information

This Policy is created by RMD, to be reviewed by RMC, endorsed by BRMC and approved by the BOD.

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## Introduction

This document is issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("MACC Act 2009"), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("Amendment Act 2018").

The provision of section 17A under MACC Act 2009 (Amendment Act 2018) establishes the principle of a criminal liability (corporate liability) for the corrupt practices of its employees and/ or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation's benefit or advantage.

The elaboration to this Policy is established under the IACSOP.

### 1.0 Objectives of the Policy

The principal objectives of this Policy are:

- 1.1 To signify/ indicate the Guidelines on Adequate Procedures as issued/ published by Malaysian Institute of Integrity pursuant to subsection (5) of section 17A under the MACC Act 2009 (Amendment Act 2018).
- 1.2 To ensure MDV has proper record on the Guidelines on Adequate Procedures for proper reference and application.

### 2.0 Coverage of the Policy

- 2.1 This Policy shall apply to all MDV staff.
- 2.2 It is also expected that all customers, contractors, subcontractors, consultants, solicitors, agents, representatives and others performing work or services for or on behalf of MDV will comply with the relevant parts of this Policy when performing such work or services.

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### 3.0 Compliance with Laws and Regulations

This Policy shall at all times comply with and be subject to the laws and regulations of Malaysia. In the unlikely event of any conflict or inconsistency between the provisions of IACP and the laws and regulations of Malaysia, the latter shall prevail.

The staff are required to report any suspicions on breaches of the Policy in accordance with MDV's Whistleblowing Policy & Procedures. MDV shall make a report to the relevant enforcement authority upon actual conviction by the staff i.e. breach of regulation or statutory law following the investigation and final decision made by the Whistleblowing Committee.

### 4.0 Infringement of the Policy

Any infringement of this Policy shall constitute a serious misconduct or offence warranting disciplinary action against the offender.

### 5.0 Responsibility for the Policy

RMD shall be the custodian of the Policy and shall be responsible for developing, recommending, communicating and reviewing the Policy.

### 6.0 Changes to the Policy

6.1 Any changes to the Policy shall be approved by the Board unless the power to approve is delegated to the BRMC, RMC or CEO.

6.2 RMC shall review the recommendation for changes before submitting to the BRMC for endorsement and to the BOD for approval.

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## 7.0 Validity and Review of the Policy

- 7.1 The effective date of this Policy shall be immediately upon approval by the BOD.
- 7.2 This Policy shall be reviewed every three (3) years or as and when deemed necessary by the BOD, BRMC or Management of MDV.



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## The Five Core Principles of Integrity

### 1.0 Principle I – Top Level Commitment

- 1.1 The top level management is primarily responsible for ensuring that MDV:
- (i) practices the highest level of integrity and ethics;
  - (ii) complies fully with the applicable laws and regulatory requirements on anti-corruption; and
  - (iii) effectively manages the key corruption risks of the Company.
- 1.2 The top level management must be able to provide assurance to its internal and external stakeholders that MDV is operating in compliance with its policies and any applicable regulatory requirements. This may include establishing the Company's "tone from the top" (i.e. the Company's general stance against the use of corrupt practices in relation to its business activities) and spearheading the Company's efforts to improve upon the effectiveness of its corruption risks management framework, internal control system, review and monitoring, and training and communication.
- 1.3 Thus, for this purpose, MDV shall carry out the following:
- (i) establish, maintain, and periodically review the anti-corruption compliance programme which includes clear policies and objectives that adequately address corruption risks;
  - (ii) promote a culture of integrity within the Company;
  - (iii) issue instructions on communicating the Company's policies and commitments on anti-corruption to both internal and external parties;
  - (iv) encourage the use of any reporting (whistleblowing) channel in relation to any suspected and/or real corruption incidents or inadequacies in the anti-corruption compliance programme;
  - (v) ensure that the lines of authority for personnel tasked with responsibility for overseeing the anti-corruption compliance programme are appropriate; and

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- (vi) ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to all top level management, including the BODs, and acted upon.

## 2.0 Principle II – Risk Assessment

- 2.1 A corruption risk assessment should form the basis of MDV's anti-corruption efforts. As such, MDV shall conduct corruption risk assessments periodically and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the Company. This risk assessment shall be used to establish appropriate processes, systems and controls approved by the top level management to mitigate any specific corruption risks MDV is exposed to.
- 2.2 For this purpose, it is recommended that a comprehensive risk assessment is done every three (3) years, with intermittent assessments conducted when necessary. The assessment may include the following:
  - (i) opportunities for corruption and fraud activities resulting from weaknesses in the Company's governance framework and internal systems/procedures;
  - (ii) financial transactions that may disguise corrupt payments;
  - (iii) business activities or sectors that pose a higher corruption risk;
  - (iv) non-compliance of external parties acting on behalf of MDV regarding legal and regulatory requirements related to anti-corruption. Note that, given the wide definition of an associated person, MDV can be liable for the acts of such third parties; and
  - (v) relationships with third parties in its supply chain (e.g. agents, vendors, contractors, and suppliers) which are likely to expose MDV to corruption.
- 2.3 The risk assessment for corruption can be done on a stand-alone basis. Nevertheless, for immediate compliance, the risk on bribery and corruption has been incorporated into MDV's Global Key Risk Indicators.

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### 3.0 Principle III: Undertake Control Measures

3.1 MDV has put in place the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of MDV in order to address any corruption risks arising from weaknesses in the Company's governance framework, processes and procedures. These should include the following items:

(i) Due diligence

MDV has established key considerations or criteria for conducting due diligence on any relevant parties or personnel (such as employees, agents, vendors, contractors, suppliers and consultants etc.) prior to entering into any formal relationships. Methods may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to a key role where corruption risk has been identified.

(ii) Reporting channel

MDV has:

- (a) established an accessible and confidential trusted reporting channel (whistleblowing channel), which may be used anonymously, for internal and external parties to raise concerns in relation to real or suspected corruption incidents or inadequacies of the anti-corruption programme. For smaller Company like MDV, the reporting channel can be as simple as dedicated email address;
- (b) encouraged persons to report, in good faith, any suspected, attempted or actual corruption incidents;
- (c) established a secure information management system to ensure the confidentiality of the whistleblower's identity and the information reported; and
- (d) prohibit retaliation against those making reports in good faith.

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3.2 Furthermore, MDV has established policies and procedures to cover the following areas:

- (i) a general anti-bribery and corruption policy or statement;
- (ii) conflicts of interest;
- (iii) gifts, entertainment, hospitality and travel;
- (iv) donations and sponsorships, including political donations;
- (v) facilitation payments;
- (vi) financial controls, such as separation of duties and approving powers or multiple signatories for transactions;
- (vii) non-financial controls, such as a separation of duties and approving powers or a pre-tendering process;
- (vii) managing and improving upon any inadequacies in the anti-corruption monitoring framework; and
- (viii) record keeping for managing documentation related to the adequate procedures.

3.3 In this regard, the MDV's policies shall be:

- (i) endorsed by top level management;
- (ii) kept up-to-date;
- (iii) publicly and/or easily available; and
- (iv) suitable for use where and when needed.

#### **4.0 Principle IV: Systematic Review, Monitoring And Enforcement**

4.1 The top level management shall ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced. Such reviews may take the form of an internal audit, or an audit carried out by an external party.

4.2 The reviews should form the basis of any efforts to improve the existing anti-corruption controls in place in MDV.

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- 4.3 For this purpose, MDV shall consider the following:
- (i) plan, establish, implement and maintain a monitoring programme, which covers the scope, frequency, and methods for review;
  - (ii) identify the competent person(s) and/or establish a compliance function to perform an internal audit, in relation to the MDV's anti-corruption measures;
  - (iii) conduct continual evaluations and improvements on the MDV's policies and procedures in relation to corruption;
  - (iv) consider an external audit by a qualified and independent third party at least once (1) every three (3) years to obtain assurance that MDV is operating in compliance with its policies and procedures in relation to corruption;
  - (v) monitor the performance of personnel in relation to any anti-corruption policies and procedures to ensure their understanding and compliance with MDV's stance in their respective roles and functions; and
  - (vi) conduct disciplinary proceedings against personnel found to be non-compliant to the programme.

## **5.0 Principle V: Training and Communication**

- 5.1 MDV has developed and disseminated internal and external training and communications relevant to its anti-corruption process, in proportion to its operation, covering the following areas:
- (i) policy;
  - (ii) training;
  - (iii) reporting channel; and
  - (iv) consequences of non-compliance.

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### Communication of Policies

- 5.2 The MDV's integrity and anti-corruption policy shall be made publicly available, and shall also be appropriately communicated to all personnel and business associates.
- 5.3 When planning for strategies for communicating MDV's position on anti-corruption, MDV shall take into account what key points should be communicated, to whom they should be communicated, how they will be communicated, and the timeframe for conducting the communication plan. The Company shall also consider what languages the materials will be communicated in.
- 5.4 The communication of MDV's policies may be conducted in a variety of formats and mediums. These may include, but are not limited to:
- (i) messages on the intranet or website;
  - (ii) emails, newsletters, posters;
  - (iii) code of conduct and employee's handbooks;
  - (iv) video seminars or messages; and
  - (v) town-hall sessions.

### Training

- 5.5 MDV shall provide its employees and business associates with adequate training to ensure their thorough understanding of the anti-corruption position, especially in relation to their role within or outside MDV.
- 5.6 The training may be conducted in a variety of formats, including but not limited to:
- (i) induction programs featuring anti-corruption elements;
  - (ii) role-specific training, which is tailored to corruption risks the position is exposed to;
  - (iii) corporate training programs, seminars, videos and in-house courses;
  - (iv) intranet or web-based programs;

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- (v) town hall sessions;
- (vi) retreats; and
- (vii) outreach programs.

- END OF POLICY -