



# **UiTM HOLDINGS SDN BHD**

## **ANTI-BRIBERY AND CORRUPTION POLICY**

**02 MARCH 2020**

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## ANTI-BRIBERY AND CORRUPTION POLICY

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## **ANTI-BRIBERY AND CORRUPTION POLICY**

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### **1.0 INTRODUCTION**

This Anti-Bribery and Corruption Policy (“the Policy”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. The Policy is supplemental to and shall be read in conjunction with the UiTM Holdings Sdn Bhd (“UHSB”) Code of Conduct.

### **2.0 POLICY STATEMENT**

UHSB and its subsidiaries (“UiTM Holdings Group of Companies” or “Group”) are committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the Group’s daily operations.

The Group adopts a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. The Group views corrupt acts very seriously and shall ensure compliance with all applicable anti-corruption laws and regulations.

The Group will take reasonable and appropriate measures to ensure that its businesses do not participate or involve in corrupt activities for its advantage or benefit.

### **3.0 PURPOSE**

The purpose of the Policy is to:

- 3.1. Set out the responsibilities of the Group, and the responsibilities of those working for or with the Group in observing and upholding the Group position, on bribery and corruption that might confront the Group in its day-to-day operations;
- 3.2. Ensure that the Group has adequate procedures in place to prevent and detect bribery and corruption;
- 3.3. Provide information and guidance to those working for or with the Group on how to recognise and deal with potential bribery and corruption issues; and
- 3.4. Protect the Group against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

### **4.0 SCOPE**

The Policy is applicable to the Board of Directors, management, employees of the Group, vendors, agents or third party acting for or on behalf of the Group.

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### 5.0 DEFINITIONS

The following definition included in the Policy:

**Bribery** : Any action, which would be considered as an offence of giving or receiving '*gratification*' under the Malaysian Anti-Corruption Commission Act 2009 ("MACCA"). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organisation.

Refer to **Appendix 1** for '*gratification*' defined in MACCA.

**Corruption** : The Transparency International defines 'corruption' as the abuse of entrusted power for personal gain. For the purpose of the Policy, corruption, is defined primarily as follows:

Any action which would be considered as an offence of giving or receiving '*gratification*' under the MACCA and bribery. In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

**Exposed Positions** : Staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the Company has identified as vulnerable to bribery;

**Facilitation payments** : A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.

**Kickbacks** : The return of a sum already paid or due as a reward for awarding of furthering business.

**Personnel** : Directors and all individuals directly contracted to the Company on an employment basis, including permanent and temporary employees.

**Public Officials** :

- any person holding a legislative, administrative or judicial office of a country, government, state, province or municipality, whether appointed or elected;
- any person exercising a public function for a country, government, state, province or municipality, including for a government

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- agency, board, commission, corporation or other body or authority;
- any official or agent of a public international organization; or
- any political party or official of a political party or a candidate for public office.

### 6.0 ANTI-BRIBERY AND CORRUPTION POLICY

- 6.1. Bribery and corruption in all its forms as it related to the Group activities is prohibited. In addition to bribery, employees must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud and/or money laundering.
- 6.2. Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. The Group personnel and its business associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of the Group or the persons involved in the transaction.
- 6.3. The Policy applies equally to its business dealings with commercial (“Private Sector”) and the government (“Public Sector”) entities, and includes interaction with their directors, employees, agents and other appointed representatives at all levels. Even the possible appearance of bribery or corruption is to be avoided, in particular when dealing with the Public Officials.
- 6.4. The Policy applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- 6.5. No employee will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour, even if such refusal may result in the Group losing business or experiencing a delay in business operations.
- 6.6. The Group recognises the value of integrity in its employees and Board of Directors. The Group’s recruitment, training, performance evaluation, remuneration, recognition and promotion for all Employees, shall be designed to recognise integrity. The Group conducts due diligence on employees who holds or may be holding, Exposed Positions.
- 6.7. The Group does not offer employment to prospective employees in return for previous favour or in exchange of improper favour.

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- 6.8. The Group awards contracts and employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process.

### **7.0 GIFTS, DONATION AND SPONSORSHIP**

- 7.1. The Group prohibits both the giving and receiving of Gifts, Entertainment and Travel, Donation and Sponsorship to influence business decision. Under no circumstances may the Group's employee accept gifts in the form of cash or cash equivalent, including gift certificates, loans, commissions, coupons, discounts or any other related forms. All benefits given or received must be in accordance with the Group's Code of Conduct.
- 7.2. As a general principle, the Board of Directors and employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. The Board of Directors and employees should be mindful in giving or receiving gifts or hospitality as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind the gifts or hospitality should always be considered.
- 7.3. The only form of gift-giving allowed to external parties is a corporate gift (amount below RM500). Any gift-giving or event of hospitality is subject to approval according to Limits of Authority ("LOA") and must fulfil the following conditions:
- They are limited, customary and lawful under the circumstances;
  - They do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions.
  - There must be no expectation of any specific favour or improper advantages from the intended recipients;
  - The independent business judgment of the intended recipients must not be affected;
  - There must not be any corrupt and/or criminal intent involved; and
  - The giving out of the gift and hospitality must be done in an open and transparent manner.
- 7.4. Donation and sponsorship are permitted provided that the LOA on corporate communication and corporate responsibility, item 5.2 are observed. However, the Group prohibits the giving and receiving of donations and sponsorships to influence business decisions.

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### 8.0 FACILITATION PAYMENTS AND KICKBACKS

- 8.1 The Group adopts a strict policy of disallowing the use of facilitation payments and kickbacks in its business.
- 8.2 Employees are expected to notify their immediate superior when encountered with any requests for a facilitation payment and kickbacks. In addition, if a payment has been made and Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.
- 8.3 The Group equally uphold the safety of all employees as priority. In the event that an Employee's safety is at stake, a facilitation payment to protect the Employee is permitted if:
  - a) that is the immediate available recourse to protect the safety of the Employee;
  - b) the Group Chief Executive Officer's ("GCEO") approval has been obtained; or, payment under the state of emergency had been undertaken, after which the GCEO's approval must be retrospectively obtained as soon as possible.

### 9.0 THIRD PARTIES AND AGENCIES

- 9.1 All third parties (including vendors, agents, suppliers and joint venture partners) acting for or on behalf of the Group are required to comply with the Policy.
- 9.2 The Group expects that all third parties acting for or on its behalf to share the Group's values and ethical standards as their actions can implicate the Group legally and tarnish the Group's reputation. Therefore, where we engage with or lend-out to third parties, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of the prospective business counterparties before entering into any arrangements with them. This is to safeguard that the Group deals with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.
- 9.3 The Group shall include standard clauses in all contracts with third parties enabling the Group to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for third party acting on the Group's behalf where a more than minor bribery risk has been identified.
- 9.4 No Third Parties who will be dealing with Public Officials on behalf of the Group should be authorised to do so without first agreeing, in writing, to abide by all anti-bribery and anti-corruption laws and to abide by the requirements of the Policy.

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### 10. POLITICAL CONTRIBUTION

As a matter of general policy, the Group does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office. Representatives must not make or offer any political contributions or donations on behalf of the Group or the respective subsidiary.

In undertaking any such unauthorised activity, all Representatives will be deemed to be acting in their personal capacity or that of their own corporate organisation and not on behalf of the Group.

### 11. RESPONSIBILITIES

11.1. All the Group Directors and employees are required to carry out those responsibilities and obligations relating to the Group's anti-bribery and corruption stance, alongside those already in existence.

11.2. The Group's managers have a particular responsibility to ensure that the Policy requirements are applied and complied with within their department or function and to monitor compliance with the policy. They also must ensure that subordinates in Exposed Positions attend relevant training.

11.3. All the Group employees shall certify in writing that they have read, understood and will abide by the Policy. A copy of this declaration shall be documented and retained by Group Human Capital for the duration of employment. Refer to **Appendix 2** for sample of declaration form of the Policy.

11.4. It is important that the Group employee maintain proper and complete records of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All accounts, invoices, documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with accuracy and completeness.

11.5. The employee must notify his/her manager as soon as possible if he/she believes or suspect that a conflict with this Policy has occurred or may occur in the future. For example, if a customer or potential customer offers him/her something to gain a business advantage or indicates to him/her that a gift or payment is required to secure the business/dealings. Further indications that may point towards bribery or corruption are set out in **Appendix 3**.

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### **12. TRAINING AND AWARENESS**

- 12.1. The Group will conduct awareness programmes for all employees of the Group to refresh awareness of anti-bribery and anti-corruption measures, and to continuously promulgate integrity and ethics.
- 12.2. In addition, the Group will provide training on anti-bribery and anti-corruption training to:
  - a) New recruits; and
  - b) Employees promoted/transferred to Exposed Positions.
- 12.3. Group Human Capital shall maintain all training records relating to the Policy.
- 12.4. The Group zero-tolerance approach to corruption and bribery must be communicated to all supplies, contractors, agents, business and other partners at the outset of the relationship with them and as appropriate thereafter.

### **13. MONITORING AND REVIEW**

- 13.1. The GCEO will monitor the effectiveness and review the implementation of the Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 13.2. Regular risk assessments shall be conducted to identify the bribery and corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.
- 13.3. All Group employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

### **14. REPORTING OF POLICY VIOLATIONS**

- 14.1. Employees who encounter actual or suspected violations of the Policy are required to report their concerns using the reporting channels stated in the Whistleblowing Policy.
- 14.2. Each employee has a responsibility to ensure that suspected bribery and corruption incidents are reported in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- 14.3. Retaliation in any form against the Group personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited.

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Any the Group employee found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which the Group may pursue.

### **15. SANCTIONS FOR NON-COMPLIANCE**

- 15.1. Non-compliance with the Policy should be reported to the Top Management and Group Audit Committee in a timely manner in accordance with the level of risk identified.
- 15.2. The Group regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. For the Group employees, non-compliance may lead to disciplinary actions, up to and including termination of employment.
- 15.3. For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that the Group's interests have been harmed by the results on non-compliance by individuals and organisations.
- 15.4. The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 15.5. Where notification to the relevant regulatory authorities have been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted employees.

### **16. REVIEW OF THIS POLICY**

The Policy will be reviewed periodically by the Group and may be amended at any time. Employees, officers and Directors will be fully informed of any material revision to the Policy.

Any deviation or waiver from the Policy must be approved either by the Group Audit Committee or UHSB's Board of Directors.

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### Appendix 1

#### 'Gratification' defined under MACCA

- a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- e) any forbearance to demand any money or money's worth or valuable thing;
- f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

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### Appendix 2

#### Anti-Bribery and Corruption Declaration of Employee

I, ..... NRIC No: .....  
hereby confirm hereby declare that I have read and understood UHSB Anti-Bribery and  
Corruption Policy. I will abide by the requirements and provisions set out in the Policy, as  
required by my employment contract.

I acknowledge that failure to abide by the UHSB Anti-Bribery and Corruption Policy may lead  
to action being taken against me.

.....  
Name :  
Position :  
Company :  
Date :

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### Appendix 3

#### Potential Risk Scenarios - “Red Flags”

The following is a list of possible red flags that may arise during the course of any employee while working for the Group and which may raise concerns under various anti-corruption and anti-bribery laws. The list is not intended to be exhaustive and is for illustration purposes only. If an employee encounters any of these red flags while working for the Group, he/she must report them promptly to his/her immediate superior or to the Group Human Capital Manager:

- Become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- Learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with foreign government officials;
- A third-party insists on receiving a commission or fee payment before committing to sign up a contract with us, or carrying out a government function or process for us;
- A third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoices or receipt for a payment made;
- A third-party requests payment in made to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to “facilitates” a service;
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third-party request that a payment is made to “overlook” potential legal violations;
- A third-party request that you provide employment or some advantage to a friend or relative.
- Learn that you learn that a colleague has been taking out a particular Public Official for very expensive and frequent meals;
- receive an invoice from a third party that appears to be non-standard or customized;
- A third party insists on the use of side letters or refuses to put terms agreed in writing;
- Notice that the Group has been invoiced for a commission of fee payment that appears large given that service stated to have been provided;
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or know to us; or
- Been offered an unusually generous gift or offered lavish hospitality by a third party.