

# ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK

SENAI AIRPORT TERMINAL SERVICES SDN BHD  
(242383)

Effective Date	Rev. No.	Prepared By	Reviewed By	Approved By
20/02/2020	1.0	Head of Compliance and Process Improvement	Chief Executive Officer	Board of Directors
02/01/2023	2.0	Head of Corporate Services	Chief Executive Officer	Board of Directors
05/06/2025	3.0	Head of Compliance, Risk and Integrity	Chief Executive Officer	Board of Directors

TABLE OF CONTENT

1.0	POLICY STATEMENT .....	3
2.0	DEFINITIONS.....	4
3.0	OBJECTIVES.....	4
4.0	ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT .....	5
5.0	SCOPE.....	6
6.0	ANTI-BRIBERY AND ANTI-CORRUPTION FRAMEWORK .....	6
7.0	CONFIDENTIALITY .....	19
8.0	DOCUMENT CHANGES.....	19

## **1.0 POLICY STATEMENT**

The Malaysian Anti-Corruption Commission Act 2009 (“MACC Act” or the “Act”) which came into force on 1 January 2009 was aimed as a catalyst to improve corruption prevention in Malaysia. In 2018, MACC (Amendment) Act 2018 have been gazetted and the principle of commercial organisation’s criminal liability (corporate liability) was introduced in Section 17A of the Act. The Malaysian Anti-Corruption Commission has stated that the corporate liability provision of the MACC Act will be in force as of 1 June 2020.

Maintaining a workplace culture with strong ethics and integrity is part of a competent governance framework and is fundamental to good organisational performance toward creating a business environment that is fair, transparent and free from bribery and corruption. These principles of governance are embedded in Senai Airport Terminal Services Sdn. Bhd. (“SATSSB” or the “Company”)’s core value I.N.T.E.C (Integrity, Innovation, Teamwork, Excellence and Commitment).

The Anti-Bribery and Anti-Corruption Policy & Framework (ABAC Policy or the Policy) is designed as a foundation for SATSSB to establish, implement, maintain, review and improve an anti-bribery and anti-corruption system to support the Company’s six strategic objectives:

- Prioritised on customer satisfaction;
- Stakeholders’ security and safety is assured;
- Processes carried out by competent and dedicated staff;
- Integrity is the core of our dealings;
- Compliant to prescribed regulations and standards; and
- Maintain continuous business and performance improvement.

Pursuant to Guidelines on Adequate Procedures issued by the Government, the ABAC Policy has been designed to provide company with a framework to establish the necessary measures to prevent the occurrence of corrupt practices in relation to our business activities. SATSSB encourage the use of the Company whistleblowing channel to raise concerns in relation to real or suspected corruption incidents (please refer to Whistleblower Policy (COR-ADM-IAD-W003)).

The ABAC Policy is linked to other Company policies, guidelines and procedures and it seeks to ensure that the employees, businesses and anyone acting for and on behalf of the Company comply with applicable laws and the provisions of this Policy.

## 2.0 DEFINITIONS

Term and Abbreviation	Description
Appointed Officer	Authorised person appointed to receive reports on Whistleblowing matters.
Bribery	Is defined in Appendix 1 of this Policy
Business Partner	A third party with which any of the company within the Company has a business arrangement, such as a joint venture (either incorporated or contractual) or a partnership. These include third parties, other than the suppliers that the relevant company enters into relationships within order to satisfy local content requirements or regulations.
Corruption	Is defined in Appendix 1 of this policy.
Disciplinary Offence	Any action or omission which constitutes a breach of discipline in the Company as provided by law or the Company's code of conduct, code of ethics, policies and/or a contract of employment, as the case maybe.
Governing Body	SATSSB Board of Directors or equivalent body.
Gratification	Is defined in Appendix 1 of this Policy
Improper Conduct	Any conduct which if proved, constitutes a Disciplinary Offence or a criminal offence. The definition is further defined in the Whistleblower Policy.
Personnel	Company directors, executives, employees, temporary staff or workers, and interns.
SATSSB / the Company	Senai Airport Terminal Services Sendirian Berhad
Top Management	Chief Executives Officer, General Manager and Assistant General Manager
Whistleblower	Any person who makes a disclosure of Improper Conduct in accordance with Whistleblower Policy.

## 3.0 OBJECTIVES

The objectives of the ABAC Policy are to:

- Implement an Anti-Bribery and Anti-Corruption management for the Company.
- Determine and provide the resources needed to establish, implement, maintain and ensure continuous improvement of the Anti-Bribery and Anti-Corruption management.
- Enhance the current controls of the Company bribery and corruption risks.
- Eliminate any form of bribery and corruption or prevent the occurrence and potential recurrence of bribery or corruption within the Company.
- To provide a defence against corporate liability as introduced by the MACC (Amendment) Act 2018.

#### 4.0 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT

SATSSB is committed to conduct business ethically and in full compliance with all applicable laws and regulations in every jurisdiction that SATSSB operates. Based on Terms and Conditions of Services (TCS), SATSSB shall treat every client, business partner, authority and members of the public with integrity, responsibility, accountability, respect and courtesy.

Every Personnel of SATSSB including any agent, person or entity engaged under a contract for service or engaged by SATSSB for any business-related activity formally and informally should maintain the values of integrity, honesty and professionalism at the highest level at all times during his/her employment/engagement under SATSSB or when representing SATSSB in business transactions with third parties.

In essence, SATSSB is fully committed to:

- Adopting a zero-tolerance approach to any form of corruption.
- Creating human capital with high ethical value and integrity.
- Acting in a fair, ethical and honest manner with all our employees and business associates.
- Upholding all applicable laws where SATSSB operates.

This Anti-Bribery and Anti-Corruption Policy Statement is complimentary to and is to be read together with the following:

- Terms and Conditions of Services (TCS)
- Anti-Bribery and Anti-Corruption Policy and Framework
- Human Resource (HR) Procedures
- Whistleblower Policy
- Procurement Policy
- Limits of Authority for SATSSB
- Enterprise Risk Management Policy and Framework
- All other relevant Policies, Framework, Procedures, Standards, Rules and Regulations (available and to be made available)

This Anti-Bribery and Anti-Corruption Policy Statement demonstrates SATSSB's commitment towards having a strong culture of high ethical practice among its personnel and embedding values comprising Integrity, INnovation, Teamwork, Excellence and Commitment (I.N.T.E.C) in all business practices.

YBhg Dato' Sri Che Khalib Mohamad Noh  
Chairman  
Senai Airport Terminal Services Sdn. Bhd.  
Date: 26 August 2022



## **5.0 SCOPE**

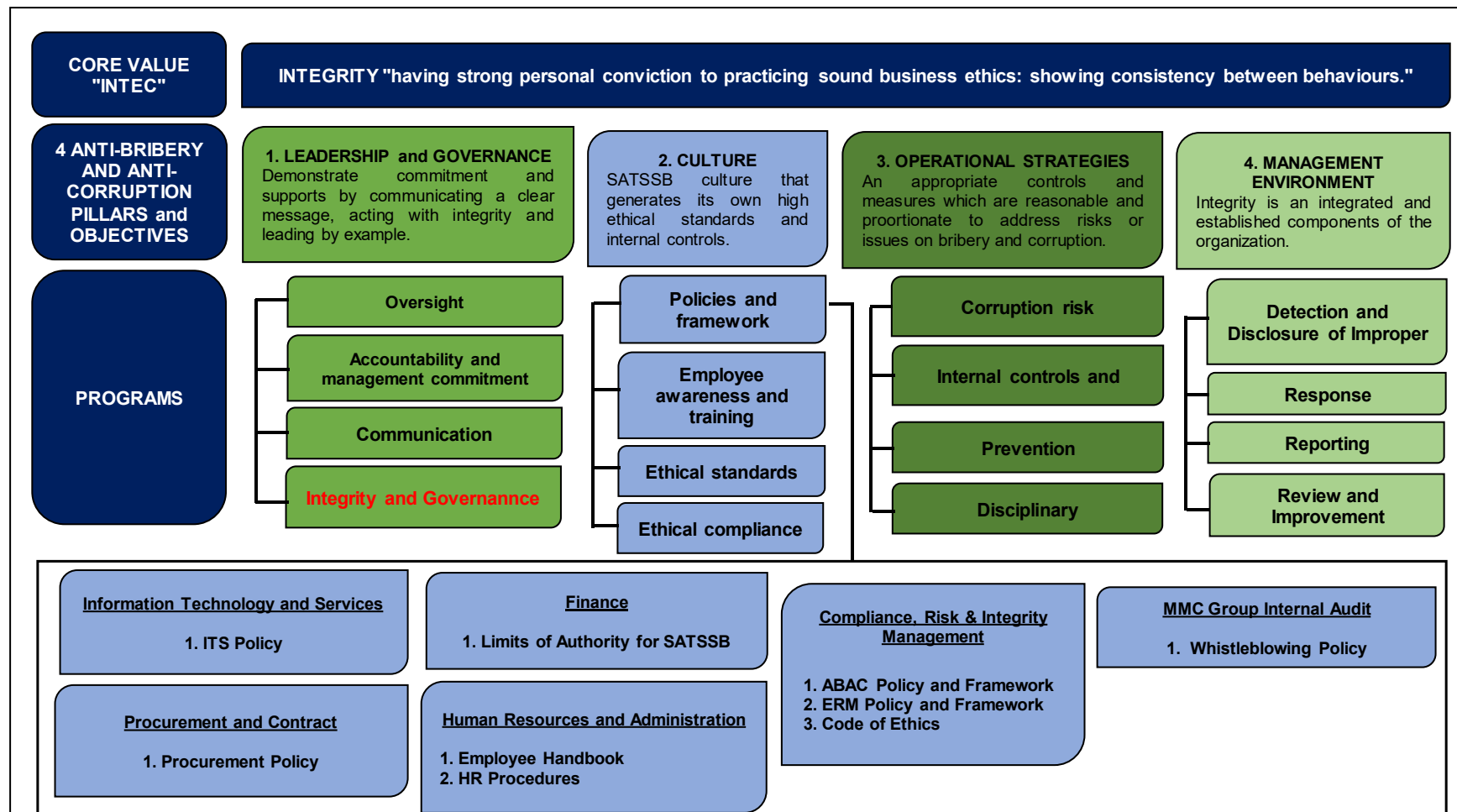
ABAC Policy is applicable to every Personnel, employed or contracted, any agent, person, or entity engaged under a contract for service or engaged by SATSSB for any business-related activity formally and informally.

## **6.0 ANTI-BRIBERY AND ANTI-CORRUPTION FRAMEWORK**



SATSSB adopts ISO37001:2016 Anti-Bribery Management Systems which specifies a series of measures to assist organizations to prevent, detect and resolve instances involving bribery and corruption. The Figure 1 (overleaf) provides an overview of the Anti-Bribery and Anti-Corruption Framework.

*[The remainder of this page is left intentionally blank]*

 A member of  MMC Group <b>POLICY</b>	Doc No	COR-INP-CRIM-A002
	Revision	2.1
	Page	7 of 25



**Figure 1: Anti-Bribery and Anti-Corruption Framework**

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>8 of 25</b>

## 6.1 Leadership and Governance

### 6.1.1 Oversight – Governing Body

The Governing Body is responsible for establishing, governing, maintaining and reviewing the contents and operation of the SATSSB ABAC Policy. The Governing Body shall exercise discretion and reasonable oversight with respect to the adequacy, communication, effectiveness and implementation of the SATSSB ABAC Policy.

### 6.1.2 Accountability and Management Commitment – Top Management



The Top Management is accountable towards the implementation of the SATSSB ABAC Policy. In this respect, the Top Management's responsibilities include the following:

- Implementing the SATSSB ABAC Policy to all level of organisation within the Company and set the right "Tone at the Top".
- Deploying adequate resources and assigned to person(s) who have the appropriate competence towards the effective implementation and operation of the SATSSB ABAC Policy.
- Review the anti-bribery and anti-corruption implementation program and propose for improvement as and when necessary.
- Putting in place the appropriate controls and contingency measures which are reasonable and proportionate, in order to address risks and issues on bribery and corruption.
- Providing ABAC awareness training to its employees and communicate the program.
- Ensuring overall oversight and assurance on compliance with the SATSSB ABAC Policy.

### 6.1.3 Communication

The SATSSB ABAC Policy shall be made available to all Personnel within the Company including Business Partners. To this end, the SATSSB ABAC Policy shall be published throughout the relevant company's internal and external communication channel.



 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>9 of 25</b>

#### 6.1.4 Integrity and Governance Unit (“IGU”) Core Functions

##### i. Compliance, Risk and Integrity Department (“CRIM”)

CRIM is the custodian of the SATSSB ABAC Policy and shall take reasonable and proportionate measures to ensure the implementation of the SATSSB ABAC Policy and program throughout the Company. Integrity function at CRIM is an independent function and shall report directly to the Chairman of the Board of Directors (“Board Chairman”) on matters relating to integrity. CRIM is administratively reporting to Chief Executive Officer (“CEO”) on matters related to integrity.

CRIM core functions under the SATSSB ABAC Policy are:

##### a. Integrity Strengthening



- Plan, implement, and coordinate integrity strengthening programs to enhance the practice of integrity in the organisation.
- Providing advice, guidance and communicate to Personnel on the SATSSB ABAC Policy and issues relating to bribery and corruption.
- Providing adequate and appropriate anti-bribery and anti-corruption training and awareness to Personnel.
- Reporting on the performance of the SATSSB ABAC Policy to the Governing Body and Top Management at planned interval.
- Prepare articles/inputs for integrity strengthening for publication and promotion to staff.

##### b. Governance

- Update the SATSSB ABAC Policy to reflect relevant new changes as and when necessary.
- Conduct checks and research on policies, systems, and work procedures and to suggest improvements.
- Coordinate the improvement of the organisation’s relevant procedures and systems.



##### ii. MMC Group Internal Audit (“GIA”)

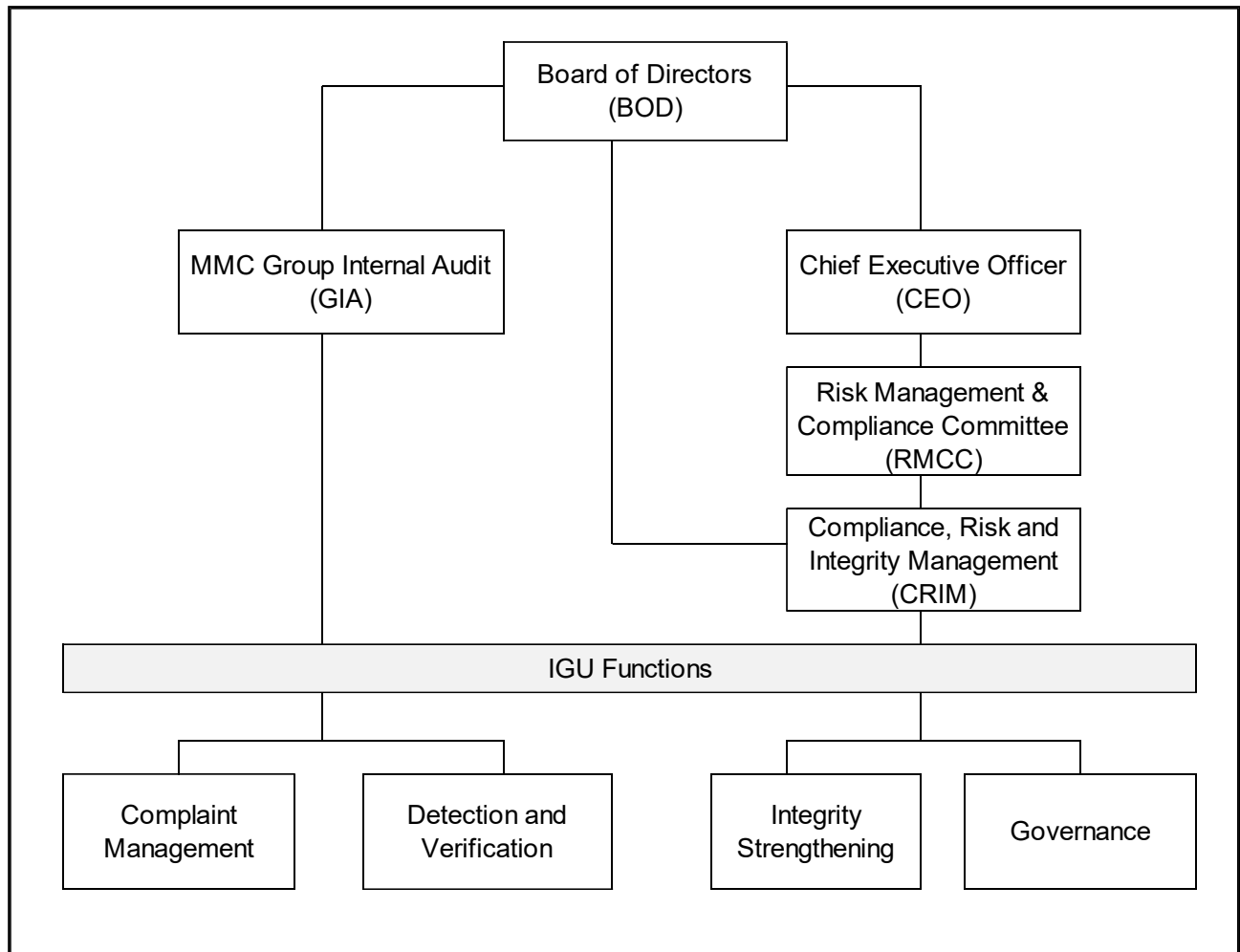
GIA is the custodian of the SATSSB Whistleblower Policy and shall manage the overall system, process and implementation of the Whistleblower Policy. GIA shall monitor and evaluate the performance, efficiency and effectiveness of the SATSSB ABAC Policy and programme.

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>10 of 25</b>

GIA core functions under the SATSSB ABAC Policy are:

- a. Complaints Management
  - Supervise, monitor, and manage the receiving of information/complaints through SATSSB Whistleblower channel, audit report, and/or anonymous complaint on improper conducts related to bribery and corruption in an appropriate and timely manner.
  - Ensure action is taken on information/complaint on bribery and corruption.
  - Ensure information/complaint related to administration or not related to IGU matters are forwarded to the relevant department in the organisation.
  - Prepare Complaints Statistics Reports periodically for monitoring purposes and to provide the report to CRIM Department on bribery and corruption matters.
- b. Detection and Verification
  - Detecting and verifying information/complaints related to on improper conducts, bribery and corruption in the organisation.
  - Facilitate due and fair investigation process, any person who discovers or suspects any Improper Conduct within the Company, should not attempt to conduct investigations personally or interrogate any suspect.
  - Prepare a report (“Assessment Report”) within seven (7) working days from the date the disclosure was made to the Board Chairman informing the results of the assessment and recommend either to ignore the disclosure or to take further action and to provide the same report to CRIM Department on bribery and corruption matters.

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>11 of 25</b>



**Figure 2: SATSSB Integrity & Governance Structure**

## 6.2 Culture



### 6.2.1 Policies and Framework

The current SATSSB's sets of policies and framework provide a foundation to support the culture of good corporate governance and integrity throughout the Company. This includes but not to limited to:

- **Terms and Conditions of Services (TCS)** outlines the Company's commitment to appropriate and ethical practices. It sets out the principles, practices and standards of personal and corporate behaviour. All SATSSB are required to comply with the TCS. Failure to comply with the TCS is a serious breach and appropriate action will be taken for its non-compliance.

The TCS among others, describes broad guidelines on the company and employees' ethical practices on the followings:

- Employee's responsibilities
- Business practices and professionalism

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>12 of 25</b>

- c. Conflict of interests
- d. External directorships
- e. Rewards and gifts
- f. Entertainment of customers
- g. Facilitation payment
- h. Sponsorship or charitable contributions
- i. Political, social or professional bodies or external activities
- j. Anti-Money Laundering and Counter Financing of Terrorism
- k. Insider trading
- l. Confidentiality on company data, disclosure and price sensitive information
- m. Working environment
- n. Sexual harassment
- o. Violation
- p. Procedure guideline



- **Whistleblower Policy** (COR-ADM-IAD-W003) provides an avenue for employees and third parties to make good-faith disclosure and report instances of unethical, unlawful, or undesirable conduct without fear of reprisal. The identity of the whistleblower and the concerns raised are treated with utmost confidentiality.
- **Procurement Policy** (FIN-PRO-PRO-P005) outline the process of acquiring supplies or goods and services to fulfil SATSSB Strategic and operational needs, which require co-ordination of multiple discipline across the end procurement value chain, pre-procurement, procurement and post-procurement.

#### 6.2.2 Employee Awareness and Training

The SATSSB ABAC Policy aims to safeguard the Company core values by informing employees of the obligations, duties and commitments within their roles, the risks of corruption in their work and any changing circumstances which may be relevant to the employees. The awareness and training programmes shall be periodically updated as and when necessary to reflect relevant new information.

#### 6.2.3 Ethical Standards and Compliance

Every Personnel within the Company is expected to understand and comply with the relevant company policies and standards. Every Personnel are responsible to ensure that their personal and business conduct demonstrates honesty, integrity, leadership, professionalism, loyalty, responsibility and

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>13 of 25</b>

trustworthiness towards fellow employees, customers, Business Partners, authorities and the public.



The role of all SATSSB Personnel in regard to this Policy includes the following ‘3Rs’:

- i. REFRAIN yourself from getting involved in any act of bribery or corruption including soliciting, offering, agrees or promise to give, giving or receiving gratification, either for your own benefit or other person or for the benefit of the company.
- ii. REPORT to whistleblowing channel if you have reasonable belief of any instances of bribery or corruption.
- iii. REFER with your superior and/or company policies if you are in doubt.

### 6.3 Operational Strategies

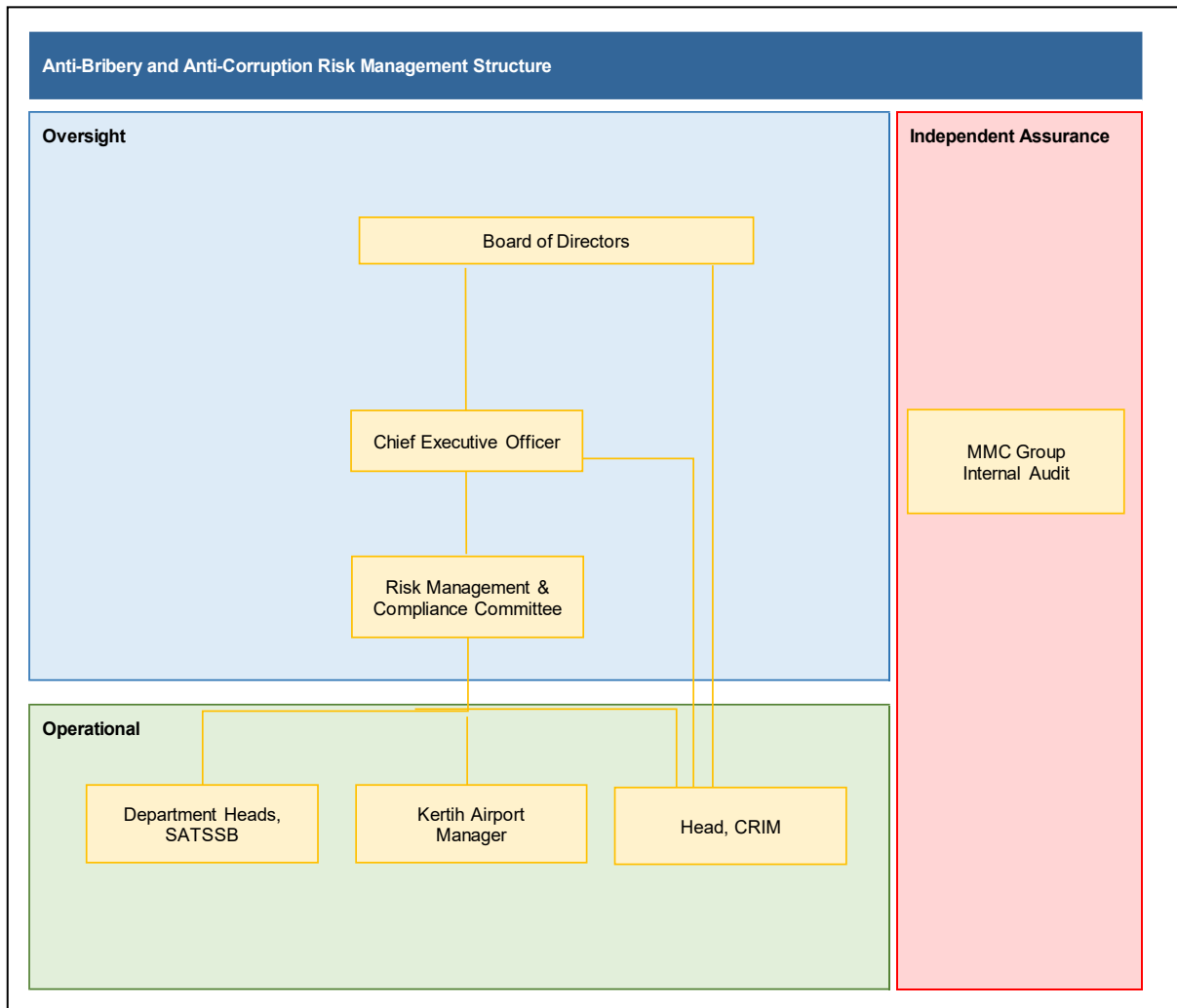
#### 6.3.1 Corruption Risk Management (“CRM”)

Bribery and corruption risks identification and assessment are part of the wider SATSSB Enterprise Risk Management Policy and Framework. Corruption risk management process helps the company to identify structural weakness that may facilitate bribery or corruption and provide a framework for all staff to take part in identifying risk factors and treatments and embeds

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>14 of 25</b>

bribery and corruption prevention within a well-established governance framework (refer Figure 3).



The Company should conduct bribery and corruption risk assessments periodically and when there is a change in law or circumstances of the business.



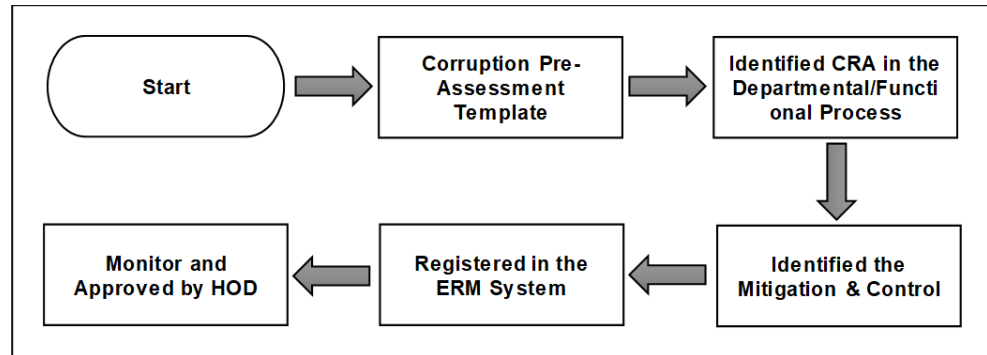
**Figure 3: Anti-Bribery and Anti-Corruption Risk Management Structure**

The Corruption Risk Assessment (“CRA”) process is guided by MMC Corruption Risk Management Procedure. Using the Corruption Risk Pre-Assessment template, the main process and areas of corruption risk carried by the business were identified. Information established through this pre-assessment process was then used to conduct a detail Corruption Risk Assessment of the process and areas that the corrupt event or act is possible to happen.

For each corruption risk identified, the mitigating actions were established, and the risk owner shall determine the risk rating accordingly. The risk shall

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>15 of 25</b>

be registered in Tricor RADAR Enterprise Risk Management (“ERM”) System for monitoring. The risk shall be assessed and reviewed on quarterly basis by the risk owner, mitigation action owner, control owner, and approved by the Head of Department.





**Figure 4: Corruption Risk Assessment Process**

Registered corruption risks were then used as a reference for the tabulation of the company Enterprise Corruption Risk Assessment Scheme (“ECRAS”) to show the exposure of the Company to corruption risk.

For the purpose of the quarterly reporting, CRIM will present the ECRAS to the SATSSB’s Risk Management & Compliance Committee (“RMCC”). The RMCC is requested, if deem fit, to inform the Board of Directors on the updates of the ECRAS for the quarter.

The Board then noted the report thus aware of corruption risk scheme and ensure that appropriate actions are taken by the management to mitigate the risks.

Type of corruption and an act of corruption is further defined in **Appendix 1**.

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>16 of 25</b>

### 6.3.2 Internal Controls and Procedures

The Company has strict internal controls to restrict and prevent any instances of bribery and corruption. There are clear and documented policies in respect of activities that may be vulnerable to bribery and corruption or in kind:

- **Procurement Policy** outlines the key principles on conducting procurement process and activities to support fair competition, wide participation and good governance in compliance with the relevant laws, regulations and terms and conditions which protects both SATSSB and its vendors. The established due diligence process shall take place to any relevant entity or personnel (such as agents, vendors, contractors, suppliers and consultants) prior to entering any formalised relationships with the company.
- **HR Procedures** defines the procedures relating to human resource functions governing operations and handling other related matters in achieving the organization's objectives.
- **Code of Ethics** establishes the procedure and serves as a guideline for SATSSB employees to maintain good and professional conduct in a congenial working environment. The established due diligence process shall take place to any Personnel prior to entering any formalised relationships with the Company.
- **Limits of Authority (LOA)** identifies the various persons/authorities responsible for various business transactions including matters that require Board approval. It sets out a clear line of accountability and responsibility of the relevant persons/authorities to facilitate decision making and approval at the appropriate level in the organization's hierarchy.
- Clear role and responsibilities of each job position.

Internal Audit Reviews, which are undertaken according to Annual Group Internal Audit Plan, provides independent assurance on the adequacy, existence and effectiveness of the governance, risk management and control processes.



### 6.3.3 Prevention

Preventive measures shall be taken with the aim to identify and resolve weaknesses in practices, systems and work procedures and continue to increase the level of efficiency by eliminating opportunities for bribery and corruption or in kind.

### 6.3.4 Disciplinary Action

The Company has a clear framework to deal with instances where employees are not in compliance with the code of conduct as stipulated in Terms and Conditions of Services (TCS). It seeks to ensure prompt, consistent and fair treatment for all employees and to assist in enabling both



 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>17 of 25</b>

the employee and the Company to be clear about the expectations of both parties.

The Company have the rights to take disciplinary action against any employee found to have committed a breach of the company policies and procedures.

Further to disciplinary actions taken by the Company, any employee who commits an act of bribery or corruption risks violating the MACC Act 2009 and shall on conviction, be liable to penalty as stipulated under the Act (refer to **Appendix 2: Penalties for Bribery and Corruption**).

## 6.4 Management Environment

### 6.4.1 Detection and disclosure of improper conduct, response and report

The Company shall not tolerate any improper conduct by any employee, any agent, person or entity engaged under a contract for service or engaged by SATSSB which can lead to any act of corruption as outlined under *the Appendices* to the Policy herein and/or under any applicable laws.



An Improper Conduct includes committing any act of corruption as outlined under *the Appendices* to the Policy herein and/or under any applicable laws.

The success of the Company's anti-bribery and anti-corruption measures depends on all Personnel, including any person or entity engaged by the Company, adhering to the Company Policy & Framework. In this respect, all relevant parties are under an obligation to report or disclose any Improper Conduct, including acts of corruption, in accordance with the procedures set out in the Policy to enable the Company to take prompt action to investigate the reports and take further actions.

The Company shall provide a transparent and secure disclosure process upon discovery of any Improper Conduct to ensure anonymity of the Whistleblower without compromising the confidentiality of the report or security of the Whistleblower.

Any improper conduct that is discovered or genuinely suspected by the Whistleblower shall be reported immediately to:

- i. A disclosure of Improper Conduct may be made in writing to the Head, Group Internal Audit ("GIA"), MMC Corporation Berhad ("MMCB") ("Appointed Officer") and shall be marked as 'Confidential' or via electronic e-mail to [satswbreport@mmc.com.my](mailto:satswbreport@mmc.com.my).

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>18 of 25</b>

- ii. If the Improper Conduct involves the Appointed Officer, the Whistleblower is to report the matter directly to the Chairman of the Board of Directors ("Board Chairman").
- iii. If the Improper Conduct involves any of the Board members, the Whistleblower is to report the matter directly to the Board Chairman.


Anonymous reports are not encouraged as it would be difficult to ascertain the facts and follow up on the matter for investigation purpose.

Any Personnel who know and fails to report an act of giving and offering of bribes or any other acts of corruption is liable to a misconduct under this Policy and risks committing an offence under the MACC Act 2009. If the person is convicted under the Act, he/she is liable to the penalties stipulated under the MACC Act 2009.

The Company shall not penalise or hold any Personnel accountable for refusing to accept any gratification (defined under *Appendix 1* herein) even if the refusal results in the Company suffering financial or non-financial losses.

#### 6.4.2 Review and Improvement

The Top Management should ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-bribery and anti-corruption programme, and ensure the programme is enforced. The reviews should form the basis of any efforts to improve the existing anti-bribery and anti-corruption controls in place in the Company.

 <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>19 of 25</b>



## 7.0 CONFIDENTIALITY

This SATSSB ABAC Policy is intended for the internal use of SATSSB only and shall not be reproduced in any form or be transmitted electronically or through other means or quoted or referred to in any public document or media without the prior written consent of the Company.

## 8.0 DOCUMENT CHANGES

This document may be reviewed and/or amended at least once every three (3) years from the date this document is approved or whenever necessary to ensure its effective implementation. Any amendment to this Policy is to be affected by CRIM Department and approved by SATSSB's Board of Directors or its equivalent body.

The Company shall notify the employees if any changes is made to this Anti-Bribery and Corruption Policy and Framework.

 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>20 of 25</b>

## APPENDIX 1

### **TYPE OF CORRUPTIONS**


The Malaysian Anti-Corruption Commission (“MACC”) defined corruption as the act of giving or receiving any “gratification” or reward in the form of cash or in-kind value for performing a task in relation to his/her job description.

Gratification is defined as:

- I. 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 or value;
- II. any office, dignity, employment, contract of employment or services and agreement to give employment or render services in any capacity;
- III. any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- IV. any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- V. any forbearance to demand any money or money’s worth or valuable thing;
- VI. any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceeding of a disciplinary, civil or criminal nature, whether or not already insinuated, and including the exercise or the forbearance from the exercise of any right or any official power of duty; and
- VII. any offer, undertaking or promise, whether conditional or unconditional, of any Gratification within the meaning of any of the preceding paragraphs (I) to (VI).

Further to the foregoing, the following acts shall constitute an act of Corruption:

- I. **Petty Corruption**  
Also known as administrative corruption, it involves the exchange of very small amounts of money and the granting of small favours. These, however, can cumulatively result in considerable public losses.
- II. **Grand Corruption**  
It spreads through the highest levels of organization, bringing about major abuses of power, disobedience of the rule of law, economic instability and the breakdown of good governance.
- III. **Active and Passive Corruption**  
The former refers to the act of offering or paying a bribe (where the payment of a bribe has taken place) and the latter refers to the request or receiving of a bribe.
- IV. **Bribery**  
Bribery is the most common form of corruption. It is described as the act of offering, promising, giving, accepting or soliciting of an undue advantage of any value ((which could be financially or non-financially), directly or indirectly, and irrespective of location(s), in violation of

 <p><b>POLICY</b></p>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>21 of 25</b>

applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person duties.

V. Embezzlement, Theft and Fraud

Embezzlement, theft and fraud involve stealing by an individual exploiting his or her position of employment. Fraud involves the use of false or misleading information to induce the owner of a property to part with it voluntarily. Theft is universally regarded as falling within corruption definitions where it occurs, carrying with it as it does, a breach of a fiduciary duty.

VI. Extortion

Extortion relies on coercion to induce cooperation, such as threats of violence or the exposure of sensitive information.

VII. Abuse of Function

The abuse of function or position is the performance of or failure to perform an act by a Personnel, in violation of the law, with a view to obtain an undue advantage for himself/herself or for another person or entity.

VIII. Favouritism and Nepotism

Favouritism, nepotism and clientelism involve abuses of discretion. Such abuses can either involve a direct personal benefit or does not involve a direct personal benefit to the Personnel. Such abuses happen when a person or an organization is selected, regardless of qualifications, merit, or entitlement, for a job or benefit because of affiliations or connections.

IX. Creating and Exploiting Conflicting Interest


Creation or exploitation of some conflict between the individual's professional responsibilities and his or her private interest. The offering of a bribe creates such a conflict where none may have existed hitherto. In both the public and private sectors, employees and officials are routinely confronted with circumstances in which their personal interests' conflict with their responsibility to act in the best interests of the state or their employer.

X. Improper Political Contribution

Donations made with the intention or expectation that the party will, once in office, unduly favour the interests of the donor, is tantamount to the payment of a bribe.

XI. Kickbacks

These are bribes fulfilled after an enterprise has awarded a contract to a customer. They take place in purchasing, contracting, or other departments responsible for decisions to award contracts. The supplier provides the bribe by kicking part of the contract fee back to the buyer, either directly or through an intermediary.

 <p><b>POLICY</b></p>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>22 of 25</b>

**XII. Facilitation payments**

These are typically payments made to secure or expedite the performance of a routine or necessary action to which the payer is entitled, legally or otherwise.

**XIII. Charitable donations, sponsorship, travel, and promotional expenses**

These are legitimate activities for entities but can be abused as a subterfuge for bribery. There are risks attached to such transactions where it may be perceived that an advantage has been given to obtain or retain business.

**XIV. Conflict of interest**

A conflict of interest occurs where a person or entity with a duty to the enterprise has a conflicting interest, duty, or commitment. Having a conflict of interest is not in itself a corruption, but corruption can arise where a Personnel the duty due to the enterprise by acting in favour to a separate interest to the detriment of the enterprise.

**XV. Collusion**

This can take various forms, of which the most common include bid rigging, cartels, and price-fixing.

**XVI. Bid rigging**

The way that conspiring competitors effectively raise prices in situations where purchasers acquire goods or services by soliciting competing bids. Essentially, competitors agree in advance who will submit the winning bid on a contract through a competitive bidding process. As with price fixing (see below), it is not necessary that all bidders participate in the conspiracy.

**XVII. Price fixing**


An agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. It is not necessary that the competitors agree to charge exactly the same price, or that every competitor in a given industry join the conspiracy. Price fixing can take many forms, and any agreement that restricts price competition may violate applicable competition laws.

**XVIII. Cartels**

A secret agreement or collusion between enterprises to commit illicit actions or fraud. Typically, this will involve price fixing, information sharing, or market rigging by setting quotas for production and supply.

**XIX. Illegal information brokering:**

The brokering of corporate confidential information obtained by illegal methods.



 <p><b>POLICY</b></p>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>23 of 25</b>

XX. Insider trading

Any securities transaction made when the person behind the trade is aware of non-public material information and is hence violating his or her duty to maintain confidentiality of such knowledge.

XXI. Tax evasion

The illegal non-payment of tax to the government of a jurisdiction to which it is owed by a person, enterprise, or trust who should be a taxpayer in that jurisdiction.



 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>24 of 25</b>

## APPENDIX 2

### PENALTIES FOR BRIBERY AND CORRUPTION

MACC ACT 2009 – S17A CORPORATE LIABILITY	MACC ACT 2009 – SECTION 16, 17, 20, 21, 22 and 23	MACC ACT 2009 – SECTION 18
Up to <b>twenty (20) years</b> imprisonment.	Up to <b>twenty (20) years</b> imprisonment.	Up to <b>twenty (20) years</b> imprisonment.
Minimum fine of <b>RM1,000,000</b> or not less than <b>ten (10) times</b> the sum or value of gratification; whichever is the higher.	Minimum fine of <b>RM10,000</b> or not less <b>than five (5) times</b> the sum or value of gratification; whichever is the higher.	Minimum fine of <b>RM10,000</b> or not less <b>five (5) times</b> the sum or value of gratification; whichever is the higher.
Or both penalties of the fine and jail.	Or both penalties of the fine and jail.	Or both penalties of the fine and jail.
UK BRIBERY ACT 2010	US FOREIGN CORRUPT PRACTICES ACT (“FCPA”) 1977	
Up to <b>ten (10) years</b> imprisonment – accounting offences may be prosecuted under Statutes.	Up to <b>five (5) years</b> imprisonment for bribery, <b>twenty (20) years</b> for accounting offences.	
<b>Unlimited fine</b> ; additionally Serious Crime Prevention Orders, Winding up proceedings, debarment, director disqualification and regulatory / disciplinary action.	Criminal fines for entities of up to <b>USD2 million</b> (bribery) or <b>USD25 million</b> (violation of accounting provisions), or twice the benefit sought, and debarment; for individuals, fines up to <b>USD100,000</b> (bribery) or <b>USD5 million</b> (accounting offences).	
Civil Recovery Orders – no criminal conviction required (lower threshold of proof).	Civil penalties of up to <b>USD10,000</b> per (bribery) violation or <b>USD500,000</b> per (corporate accountancy) violation.	



 A member of  MMC Group <b>POLICY</b>	Doc No	<b>COR-INP-CRIM-A002</b>
	Revision	<b>3.0</b>
	Page	<b>25 of 25</b>

## APPENDIX 3

### **SECTION 17A MACC ACT 2009 – CORPORATE LIABILITY (EFFECTIVE 1 JUNE 2020)**

The provision under Section 17A MACC Act 2009 is a provision that stipulates a corporate liability principle where a commercial organization can be considered guilty if any of its employees and/or associates commit corruption for the benefit of the organization. The commercial organization is also considered guilty in the event whether or not, the upper management or its representatives know about the corruption acts committed by its employees or associates.

- I. S17A (1): A commercial organisation commits an offence:
  - If a **person associated** with commercial organisation **corruptly** “gives, agrees to give, promises or offers to any person” any **gratification**.
  - Gratification can be either for “benefit of that person or another person”
  - With **intent** to “obtain OR retain business for commercial organisation” OR “to obtain OR retain advantage in conduct of business for commercial organisation”.
- II. S17A (2): Any commercial organisation which commits an offence shall, on conviction, be liable to:
  - a fine not less than **10 times the sum or value** of gratification or **RM1 million**, whichever is **higher**, AND/OR
  - its officers concerned, **imprisonment** for a term not exceeding **20 years**.
- III. S17A (3): If offence is committed by Commercial Organisation, a person who is Director, Controller, Officer, Partner or is concerned in management of commercial organisation’s affairs is deemed to have committed the offence. As defence, he bears the burden to prove:
  - that offence was committed without his consent OR connivance; AND
  - that he **exercised due diligence to prevent commission** of offence as he ought to have exercised, having regard to “nature of his function in that capacity & to the circumstances”.
- IV. S17A (4): Defence available to commercial organisation in event of a charge is to prove: That it had in place “adequate procedures” designed to prevent persons associated with commercial organisation from undertaking such conduct.

Note:

Under Section 17A (6) MAAC Act 2009, a person is associated with a commercial organization if he is a director, partner or an employee of the commercial organization or he is a person who performs services for or on behalf of the commercial organization, which will be decided based on relevant circumstances.