

# ANTI-CORRUPTION POLICY

## **I. OBJECTIVE**

This policy is created 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 (“MACC Amendment Act 2018”).

The objective of this policy is to assist PADU to prevent the occurrence of corrupt practices in relation to its business activities and to take the reasonable and proportionate measures to ensure its businesses do not participate in corrupt activities for their advantage or benefit. These measures are formed based on five principles (T.R.U.S.T., see Appendix) used or implemented towards having adequate procedures as required by the above statutory provision. Furthermore, these measures also take the form of policies and procedures, with training, communication, and enforcement to ensure that they are effective.

In the event PADU is found liable under Section 17A of the MACC Act, the provision stipulates that the organisation having adequate procedures can raise it as a defense against corporate liability. In this regard, PADU must prove that the necessary procedures are in place to prevent its employee(s) and/or associated persons from undertaking corrupt practices in relation to its business activities.

## **II. DEFINITION OF CORRUPTION**

- 1) Corruption - Defined under the Malaysian Anti-Corruption Commission (MACC) Act 2009 as acceptance or giving unsolicited provision as reward or encouragement for an individual for committing or not doing any act relating to official duties. Unsolicited provisions consist of money, gifts, bonuses, votes, services, position rewards, and discounts. (Note: source from MOE Anti-Corruption Guiding Principal handbook)
- 2) Facilitation Payments – Small sums, unofficial payments made to secure or expedite a routine government action by a government official.
- 3) Kickbacks – an illegal payment intended as compensation for preferential treatment, or any other type of improper services received.

### **III. PURPOSE**

The purpose of this Policy is to:

- 1) Set out the responsibilities of PADU, and of those working for PADU, in observing and upholding PADU's position on corruption.
- 2) Provide information and guidance to those working for PADU on how to recognise and deal with corruption issues; and
- 3) Govern the boundaries of relationship between employees and business partners of PADU such as vendors, suppliers, contractors and consultants.

### **IV. PADU's PRINCIPLES**

- 1) PADU conducts all its business in an honest and ethical manner and is committed to acting professionally, fairly and with integrity in all its relationships and business dealings wherever it operates and to implement and enforce effective system to counter corruption.
- 2) PADU employs a zero-tolerance approach to corruption and bribery which prohibits it from accepting or soliciting, giving, or offering any form of gratification or bribe as an inducement or reward to do or forebear any act in relation to any matter in which any business partners has an interest whether directly or indirectly.
- 3) PADU's business partners are also prohibited from offering and /or giving any form of gratification to PADU as an inducement or reward for PADU employee to use his/her office or position when making any decision or take any actions in relation to any matter in which the business partners have an interest whether directly or indirectly.
- 4) PADU will uphold all laws relevant to countering corruption. PADU is bounded by the laws of Malaysia, including Anti-Corruption Act 1997 (ACT 575) and in line with Malaysian Anti-Corruption Act 2009 (Act 694), in respect of its conduct both at home and abroad.
- 5) Corruption is a criminal offence and is punishable for individuals by up to ten years' imprisonment and unlimited fine, and if PADU staff is found to have taken part in corruption, the employee could face the mentioned charges for causing damage to PADU reputation. The said PADU staff will also face disciplinary action which may lead to termination of employment.
- 6) In this Policy, "third party" means any individual or organisation that PADU comes into contact with at work, and include actual and potential customers, suppliers, distributors, business contacts, agents, advisers, consultants, subcontractors, and joint venture partners.

- 7) To address these risks, PADU has taken the following steps:
  - (i) Implement an anti-corruption policy
  - (ii) Perform regular corruption risk assessment on our operations and review findings
  - (iii) Take steps to implement training programmes for all individual operating in areas of the organisation that are identified as high risk
  - (iv) Regular review and update to this Anti-Corruption Policy

## **V. SCOPE**

- 1) This Policy applies within PADU.
- 2) This includes all individual working for PADU comprises all levels of employees (whether full-time, part-time, contract or secondment), Board of Trustees, any third party, Business Partners and any other person associated with PADU.

## **VI. GIFTS AND ENTERTAINMENTS**

- 1) PADU adopts a “No-Gift” policy which prohibits the employees from soliciting, requesting or receiving gifts, entertainments, or favours of any value from persons or firms with which PADU actually or potentially does business. Nor does PADU act in a manner that would place any vendor or customer in a position where he or she may feel obligated to make a gift, provide entertainment or personal favours to do business or continue to do business with PADU.
- 2) Exception to the “No-Gift” policy.

There are circumstances where provision of gifts are permitted:

  - a) Exchange of gifts on a company-to-company level;
  - b) Gifts from company to external institutions or individual in relation to the company’s official functions, events, promotions, and celebrations.

## **VII. FACILITATION PAYMENTS AND KICKBACKS**

- 1) PADU does not make and will not accept any form of facilitation payments.
- 2) PADU prohibits any kind of “kickbacks”.

## **VIII. DONATIONS AND POLITICAL CONTRIBUTION**

- 1) PADU does not make any charitable donations or contributions to any entity or individual that politically benefits a politician or Politically Exposed Person (PEP) nor accepts any political donations or contributions of any kind.
- 2) Contributions or donations made by PADU to community projects or charities need to be made in good faith and are in compliance with PADU Code of Ethics, the Anti-Corruption Policy and all relevant PADU's policies and procedures.
- 3) PADU's funds, services, properties, facilities, or employee time cannot be used for or contribute to any political party or candidate for public office.

## **IX. PROCUREMENT PROCESS**

- 1) PADU has its own processes and adheres to the system of internal controls for supplier selection. Supplier selection should never be based on receipt of a gift, hospitality, or payment. When supplier selection is formal, a structured invitation for the supply of goods and services (often called a "tender"), it is most important that we maintain a proper and complete documentation supporting our internal controls.
- 2) A tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen based on qualification and price.
- 3) Due diligence of new suppliers in supplier selection should include elements of anti-corruption including bribery. Where possible, the new suppliers are to provide PADU with its own anti-corruption and bribery policies.

## **X. RESPONSIBILITIES**

- 1) Corruption is a criminal offense and PADU takes corruption very seriously. Any violation of this Policy will be regarded as a serious matter by PADU. An employee or third party will be accountable whether he/she gives or takes a bribe himself/herself or whether he/she authorises, assists, or conspires with someone else to violate an anti-corruption law. Punishment for violating the law is against him/her as an individual and may include imprisonment, service termination and significant monetary fines which will not be borne by PADU.
- 2) Employees and business partner shall comply with the Anti-Corruption Policy. Non-compliance with or violation to the Anti-Corruption Policy by any employees or business partners may result in disciplinary or necessary action taken by the management.

- 3) The Board of Trustees has oversight of this Policy, and the CEO is responsible for ensuring the compliance with this Policy. Every employee and manager are required to be familiar with and comply with this Policy.
- 4) An employee must notify his/her manager as soon as possible if he/she believes or suspect that a conflict of 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 with us or indicates to him/her that a gift or payment is required to secure their business. An employee can also raise the issue by reporting to Director of Human Resource & Administration or e-mail to [PaduWB@padu.edu.my](mailto:PaduWB@padu.edu.my) and copy to the Chairman of the Audit and Risk Committee (ARC) at [PaduARC@padu.edu.my](mailto:PaduARC@padu.edu.my).

#### **XI. RECORD-KEEPING**

- 1) Ensure all expenses claims relating to hospitality, gifts or entertainment incurred to third parties are submitted in accordance with PADU Reimbursement Policy.
- 2) All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, supplies and business contracts, should be prepared and maintained with strict accuracy and completeness. No accounts should be kept “off-the-books” to facilitate or conceal improper payments.

#### **XII. TRAINING AND COMMUNICATION**

- 1) All existing employees operating in areas that are perceived as high risk will receive regular and relevant training on how to implement and adhere to this Policy.
- 2) Our zero-tolerance approach to corruption and bribery must be communicated to all suppliers, contractors, agents, business and other partners at the outset of our relationship with them and as appropriate thereafter.

#### **XIII. MONITORING AND REVIEW**

- 1) All employees are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 2) Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering corruption.

## **APPENDIX**

**T.R.U.S.T** is the recommended principle to protect the company (PADU) from being liable of the staff wrongdoing in relation to corruption.

- 1) **T**op level Commitment
  - a. Covered under PADU Anti-Corruption Policy Version 4: **Responsibilities** - (Item 3)
  - b. Involvement of PADU Trustees under the Audit and Risk Committee
  
- 2) **R**isk Assessment
  - a. Formation of PADU Integrity and Governance Unit (IGU) in April 2021 as per MACC's requirement to evaluate PADU action plans and risk management – Quarterly report to MACC
  - b. Under MOE's Organisation Anti-Corruption Plan (OACP) – Monthly report to IU (Integrity Unit of MOE)
  
- 3) **U**ndertake Control Measure
  - a. Adopting Procurement Process in compliance with WP7.5 (*Peraturan Perolehan Badan Berkanun Persekutuan 2019*)
  - b. Financial Limits of Authority
  
- 4) **S**ystematic Review, Monitoring and Enforcement
  - a. Formation of Quotation Committee Members (PADU Management Team)
  - b. Formation of Audit and Risk Committee (PADU Trustee as Chairman)
  
- 5) **T**raining and Communication
  - a. Covered under Policy XII: **Training and Communication** - (Item 1 and 2)
    - i. To organise yearly Refresher Training conducting by MACC Officer
    - ii. To publish Anti-Corruption Policy in PADU website.