

Corporate Integrity Pledge and Anti-Corruption Principles for Corporations in Malaysia (2011) – Frequently Asked Questions

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1. What is the Pledge?

The Corporate Integrity Pledge is a document that allows a company to make a commitment to uphold the Anti-Corruption Principles for Corporations in Malaysia. By signing the pledge, a company is making a unilateral declaration that it will not commit corrupt acts, will work toward creating a business environment that is free from corruption and will uphold the Anti-Corruption Principles for Corporations in Malaysia in the conduct of its business and in its interactions with its business partners and the Government.

2. How do I execute the Pledge?

The soft copy of the Pledge is available for download at the Malaysian Institute of Integrity website at <http://www.iim.com.my>. You may use that to create an execution copy. The standard Pledge document provides for execution by company seal, but you may execute in any other manner as long as it is a valid method of execution for such a document by your company, under the relevant constituent documents and laws pertaining to your company.

3. What is the effect of signing the Pledge?

The effect of this is twofold: first, a company will be making a clear stand of how it operates, and this will be locked down in writing – this will be guidance to the company in its business interactions, should it be faced with the possibility of condoning any payments or other activities that would amount to corruption. Second, a company can use this Pledge to set itself apart from its peers by demonstrating to its stakeholders that its business operations do not include any hidden risks or costs that are associated with corrupt activities. By signing the pledge, the company can be listed in the register of signatories that is carried on the website of the Malaysian Integrity Institute, and can be accessed through the website of Bursa Malaysia Berhad.

4. Is adherence to the Pledge monitored?

The Pledge is a tool to be used by companies and is not a regulatory instrument of any sort. Breach of the pledge – e.g. if a signatory company is later found to have been complicit in corruption – will not carry any legal sanction under the pledge on its own. Instead, the Pledge will be given force through self-reporting by the company, to meet the demands of its stakeholders, in line with the model adopted under the 10th Principle of the UN Global Compact. Adherence to the Pledge is therefore monitored to the same extent that other non-mandated disclosures by any company to its stakeholders are monitored – through scrutiny and demands of the stakeholders.

The signing of the pledge by a company and the inclusion of any company's name in a list of signatories does not in any way imply any certification, review or assessment has been conducted by Malaysian Institute of Integrity or any of the regulatory authorities or other parties collaborating on this tool to vouch for the integrity of the signatory.

A system is, however, being developed to enhance the list of signatories, to eventually enable more convenient means of cross-checking whether a signatory has in fact been found to have conducted activities that are contrary to the terms of the Pledge.

5. How do I get included on the list of signatories?

Companies that seek to be included on the list of signatories carried on the website can inform Malaysian Institute of Integrity by depositing a copy of the executed pledge with them at the address below, through post, fax or email:

Director
Private Sector
Level 7, Menara Integriti
Persiaran Duta Off Jalan Duta
50480 Kuala Lumpur
Fax: 03-62092067
Email: swasta@iim.com.my
Tel: 03-62092061/62/66

6. How can I access the list of signatories?

Any company that has executed the pledge can inform their stakeholders via an update through the Malaysian Institute of Integrity website at <http://www.iim.com.my>. Stakeholders of a company can access this list directly at the Malaysian Institute of Integrity website or through the website of Bursa Malaysia Berhad at <http://www.bursamalaysia.com>.

7. Who is issuing this Pledge? Do I have to sign it?

This Pledge is not issued by any one regulator or authority but is a result of collaboration between the Bursa Malaysia Berhad, the Companies Commission of Malaysia, the Malaysian Institute of Integrity, the Malaysian Anti-Corruption Commission & NKRA Corruption Monitoring & Coordination Division, Securities Commission Malaysia, Transparency International Malaysia and the Performance Management and Delivery Unit (PEMANDU), Prime Minister's Office. It is made available through the Malaysian Institute of Integrity, who is also maintaining the list of signatories. The Pledge is a voluntary tool, to aid companies that recognize the importance of anti-corruption measures in being a competitive business and operating in increasingly competitive and globalised markets.

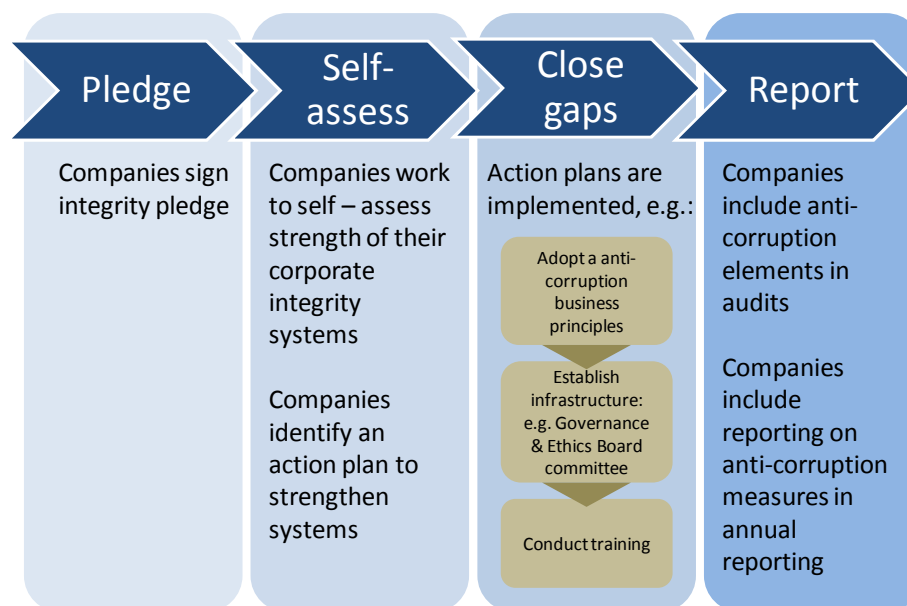
8. What happens if I know there is corruption at a company? Does this Pledge help me?

You should report any instances of breaches of laws or regulations to the relevant regulator, and report any corruption to the Malaysian Anti-Corruption Commission (you can call their toll-free hotline at 1-800-88-6000). This Pledge is an additional tool for companies, to encourage

them to work on their own anti-corruption programme and internal systems and processes. Thus, it helps a company to make a first step toward creating the means to reduce corruption and increase chances of detecting it. It does not change the existing laws or law enforcement infrastructure relating to corruption.

9. What happens after I sign the Pledge?

The longer-term programme is intended to see companies gradually moving toward self-assessment, identifying gaps and action plans to close them and eventually reporting on anti-corruption measures, in line with the UN Reporting Guidance on the 10th Principle under the Global Compact. The collaborators under this Pledge will work together with signatories to develop the action plans on how to take the Pledge forward.



10. What is the Corporate Integrity Agreement?

For companies that want to begin incorporating an anti-corruption policy in its interactions with business partners, the Corporate Integrity Agreement is a good way to start extending your commitment to them. In addition to your declaration of your commitment via the Pledge, you can enter into a bilateral commitment with your business counterpart, whether it be a vendor, supplier, JV partner or any other counterpart to operate using the same Principles. This agreement can be entered into independently or incorporated into the documentation of your existing contractual relationship.

11. What is the effect of signing a Corporate Integrity Agreement?

The form of the Corporate Integrity Agreement provided is a tool for companies to help them agree that it is a policy to engage in clean business relations with one another and the adherence to the terms of the agreement will not be monitored or tracked by any regulatory authority or agency. Once entered into, the terms of the agreement are between the two signatories and are given the same force as with any other contractual term. Any sanctions or provisions for breach of those terms, if any, will be a matter to be determined by the parties in their actual contractual documentation.