BANKRAKYAT
بيڠک رعية

PG 528

ANTI-BRIBERY AND ANTI-CORRUPTION (ABAC) POLICY

DOCUMENT CONTROL

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INTERNAL	1. PG 527 – Management of Gift, Entertainment and Corporate Hospitality Policy. 2. PG 526 – Whistleblowing Policy. 3. PG 525 – Fraud Management Framework. 4. Code of Business Conduct and Ethics. *GPA Dasar Perkhidmatan 10.* 5. PG 100 Risk Management. 6. Loss Event Data (LED) Procedure and Guideline. 7. OP 602 Pencegahan Pengubahan Wang Haram Dan Pencegahan Pembiayaan Keganasan (AML_CFT). 8. GPA Dasar Perkhidmatan Bil. 10 Disciplinary Procedures Policy. 9. PG 326 Procurement Policy, Guideline and Procedure. 10. PG 340 Donation & Sponsorship Guidelines. 11. OP 650 Operation - *Pengurusan Cawangan-cawangan.* 12. Board Charter. 13. IEC – Terms of Reference (TOR).
EXTERNAL	1. Malaysian Anti-Corruption Commission Act 2009 (Act 694). 2. *Garis Panduan Pengendalian Sokongan Oleh Anggota Pentadbiran Dalam Urusan Kerajaan – Jabatan Perdana Menteri (21 Mei 2024).* 3. Other relevant Internal Policies, Act, Regulatory Requirements and guidelines or circulars issued by Bank Negara Malaysia (BNM) from time to time.

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REVISION HISTORY

Date	Version	Reference	Remark
13/08/2026	*1.0*	*Circular (Memo) General (GE) No. 47/2026*	*Established of new GP as Stand-alone document*

ABBREVIATION

No.	Abbreviation	Detail
1.	ABAC	Anti-Bribery and Anti-Corruption
2.	BCG	Branch Compliance & Governance
3.	BNM	Bank Negara Malaysia
4.	BOD	Board of Directors
5.	CI	Corporate Integrity
6.	COBCE	Code of Business Conduct & Ethics
7.	GPA	*Garis Panduan Am*
8.	GCEO	Group Chief Executive Officer
9.	IA	Internal Audit
10.	IBR	*'Ikrar Bebas Rasuah'*
11.	IDVN	Integrity Detection & Verification
12.	IEC	Information Evaluation Committee
13.	INGV	Integrity Governance
14.	IO	Investigation Officer
15.	IR	Industrial Relations
16.	LEA	Law Enforcement Agencies
17.	MACC	Malaysia Anti-Corruption Commission
18.	MANCO	Management Committee
19.	OP	Operational Procedure
20.	PG	Policy Guideline

DEFINITION

No.	Term	Detail
1.	BOD	Means Board of Directors and Chairman of the Bank.
2.	Person	Means Bank's Board of Directors, vendors, customer, business partners, suppliers and contractors (where applicable).
3.	Employee	Means individual employed by the Bank either on permanent, contract, temporary, on assignment or secondment basis.
4.	Internal Parties	Organizations established by Bank Rakyat such as subsidiaries, Foundations, Sports Clubs, Organizations, Associations and Unions, including its employee and Board Members.
5.	Public Sector Officer	According to Section 3 of the Malaysian Anti-Corruption Commission Act 2009 (Act 694), the following parties are defined as public agencies: *"...... sesuatu pihak berkuasa berkanun";* *"......mana-mana koperasi yang didaftarkan di bawah seksyen 7 Akta Koperasi 1993 (Akta 502)";* *"..... mana-mana kesatuan sekerja yang didaftarkan di bawah seksyen 12 Akta Kesatuan Sekerja 1959 (Akta 262)";* *"..... mana-mana badan sukan yang didaftarkan di bawah seksyen 17 Akta Pembangunan Sukan 1997 (Akta 576); dan* *"..... mana-mana syarikat atau syarikat subsidiari yang terhadapnya atau dalamnya mana-mana badan awam yang disebutkan seperti di atas mempunyai kawalan atau kepentingan".* Based on the above, Bank Rakyat employees, Bank Rakyat Board Members and stakeholders in Bank Rakyat are deemed to be officers of public sector within the interpretation of Section 3 of the Malaysian Anti -Corruption Commission Act 2009 (Act 694).
6.	Law Enforcement Agencies (LEA)	Government agencies with investigation and enforcement functions and powers such as the Malaysian Anti-Corruption Commission (MACC); Royal Malaysian Police (PDRM); and other related agencies with similar functions.
7.	Policy	Refers to the Anti-Bribery & Corruption Policy.

No.	Term	Detail
8.	Business Associates	Suppliers, contractors, consultants or any party who has business dealings or services with Bank Rakyat and/or stakeholders in Bank Rakyat.
9.	Branch Compliance Governance (BCG)	Vice President or Senior Executive which is also conduct awareness briefing or the importance of Branch compliance culture and practices. (details function & deliverable may refer OP 650 Operation - *Pengurusan Cawangan-Cawangan, para 2.21 Tugas dan Tanggungjawab* Branch Compliance Governance).
10.	Connected Parties	Refer to Financing Facilities with Connected Parties Policy, Para 1.3 Definition.
11.	Detrimental Action	Includes:- a. Action causing injury, loss or damage; b. Intimidation or harassment; c. Interference with the lawful employment or livelihood of any person, including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to a person's employment, career, profession, trade or business or taking of disciplinary action; and d. A threat to take any of the actions referred to under item (a) to (c).

1.0 POLICY

1.1 Purpose

1.1.1 The purpose of this policy is to inform all employee, subsidiaries, shareholders, consultants, vendors, contractors, outside agencies and / or any other parties with a business relationship with Bank Rakyat.

1.1.2 This Policy is established to provide corruption controls that include treatment of bribery and corruption, prevention and reporting mechanism in the Bank.

1.2 Scope

1.2.1 This Policy covers both internal and external bribery and corruption including irregularities committed or suspected to have been committed by employee(s), including Board of Directors, Shariah Committee, Management of the Bank or by business associates (individuals or non-individuals), in their dealing with the Bank.

1.3 Term of Reference

1.3.1 Corporate Integrity (CI) is the custodian of this policy. CI reports to the Board of Directors (BOD) as per Bank Rakyat's Organization Structure.

1.3.2 The Anti-Bribery & Anti-Corruption Policy shall be reviewed on annual basis or as and when required.

1.3.3 The revision of this policy is the responsibility of the CI.

1.3.4 The revision of this policy shall be approved by Management Committee (MANCO) and notified to BOD.

1.4 Responsibility

1.4.1 All employees of the Bank must adhere to the policy set out herein.

1.4.2 Refer to LED Procedure (Roles & Responsibility), OP 632 Loss Event Data.

2.0 GUIDELINE

2.1 Purpose

2.1.1 The purpose of this policy is to provide guidelines to all employees to:

a) Inculcate a working environment which promotes honesty and integrity culture amongst Bank Rakyat workforces.

b) Increase awareness amongst Bank's employees on the impact of bribery, corruption, malpractice or unethical behaviour.

c) Creates awareness amongst Bank's employees of their roles, rights and responsibilities pertaining to bribery, corruption, malpractice, for unethical behaviour since good business practice dictates that all bribery and corruption or suspected bribery and corruption are to be promptly identified, reported, investigated and monitored.

d) Any incidents/occurrences pertaining to bribery, corruption, malpractice or unethical behaviour shall be channelled to responsible parties and resolved accordingly.

e) Ensure that all forms of business or activities of the Bank are conducted in accordance with relevant Regulations, Acts and Laws.

2.2 Scope

2.2.1 This guideline encompasses the features and conditions as well as roles and responsibility of the employee involved in relation to bribery and corruption as defined below:

2.2.1.1 Bribery is defined as any action which would be considered as an offence of giving or receiving 'gratification' under Malaysian Anti-Corruption Commission (MACC) Act 2009 (Act 694). In practice, this means offering, giving, receiving or soliciting something of value to illicitly influence the decisions or actions of a person a position of trust within an organisation.

2.2.1.2 While corruption can be defined as abuse of entrusted for personal gain. Primarily as any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (Act 694). This included acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

2.2.1.3 The term 'Gratification' refers to, but are not limited to the following:

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 already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty.
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).

2.3 Responsibility

2.4.2 All employees of the Bank must adhere to the policy set out herein.

2.4 Anti-Bribery and Anti-Corruption Statement

2.4.1 Bank Rakyat is committed in promoting a culture of transparency, fairness, and accountability in the workplace to ensure a high level of integrity and governance among its employees.

2.4.2 Bank Rakyat has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts.

2.4.3 The Anti-Bribery and Anti-Corruption Policy leverage the core values set out in The Bank Rakyat's Code of Business Conduct & Ethics and further strengthened through the previously develop Fraud Management Framework.

2.4.4 All employees of Bank Rakyat are obliged to declare the Corruption-Free Pledge (IBR) on the MyHR System once a year.

Appendix 1: Integrity Pledge (Compliance Declaration Form).

2.5 Bribery and Corruption Offences

2.5.1 Offering / Giving / Soliciting / Accepting Bribes and Corruption

2.5.1.1 An employee is prohibited from soliciting, accepting, or agreeing to accept for himself or another person any bribe or corruption as an inducement or reward for doing or not doing anything or transaction.

2.5.1.2 Employees are also prohibited from giving, promising, or offering to any person whether for the benefit of himself or others any bribe or corruption as an inducement or reward for doing or not doing anything or transaction.

2.5.1.3 An employee shall not accept or obtain from any person for himself or another, any bribe or corruption as an inducement or reward for doing or not doing any act, in connection with the affairs of his principal.

2.5.1.4 If an employee receives an instruction from his superior to commit or abet in committing an offense of bribery or corruption and malpractice or an act that is not in accordance with the laws and regulations, then the employee must reject the instruction.

2.5.2 Abuse of Position

2.5.2.1 An employee is obliged to refrain from using his position or authority given to him for any bribe or corruption, whether for himself, his connected parties or his associates.

2.5.2.2 Abuse of position occurs when an individual uses his official position or authority given to him in deciding or taking any action in relation to a matter in which he, his relatives or associates have an interest.

2.5.2.3 Employees are prohibited from abusing their position at the Bank for personal benefit or for the benefit of their close relative, customers or to procure any privileges from customers, potential customers, vendors or suppliers, contractors of goods or services to the Bank, politicians or interested parties for any purpose whatsoever - GPA *Dasar Perkhidmatan* Bil. 10 COBCE, para. 5.1.10 Abuse of Position.

2.6 Management of Gift, Entertainment and Corporate Hospitality

2.6.1 Gifts include money, movable or immovable property, vehicles, free fares, stocks, lottery tickets, travel facilities, entertainment, services, club memberships, any form of discount or commission, hampers, jewellery, ornaments, any gifts, souvenirs or anything of value given or received by an employee, close relative or any other person on his or her behalf from any person, with no reciprocity or reciprocity known to the employee as either sufficient or insufficient.

2.6.2 Bank Rakyat prohibits the acceptance of any gift that may affect the judgment or decision of employees in performing their duties. Gifts received in this context are considered bribes except permitted acceptance of gifts para 1.5.2 as mentioned in the Management of Gift, Entertainment and Corporate Hospitality Policy.

2.6.3 Bank Rakyat also prohibits the giving of gifts that are illegal or dangerous, or immoral and/or using or not using Bank Rakyat resources for the purpose of influencing a person to favor Bank Rakyat or to prevent action against Bank Rakyat.

2.7 Donation/Sponsorship

2.7.1 Bank Rakyat will not support or contribute to any cause, activity, project or event that:

2.7.1.1 Is not related to the stated core themes and this policy.

2.7.1.2 Relates to political parties or political groups or their representatives.

2.7.1.3 Is not well-managed or sustained.

2.7.1.4 Goes against Bank Rakyat Corporate Values.

2.7.1.5 Is suspicious or dubious in nature.

2.7.2 Any donations or sponsorships shall adhere to the PG 340 Donation & Sponsorship Guidelines.

2.8 Whistleblowing

2.8.1 The Bank is committed to the highest standard of integrity and accountability in the conduct of its affairs, businesses and operations. In achieving this standard, the Bank is further committed to providing employees or person with the ability to confidentially report their concerns of improper conduct relating to any employee or person without fear or risk of reprisal. The Whistleblowing Policy sets out avenues for legitimate concern to be objectively investigated, addressed and that appropriate measures are taken in response.

2.8.2 The objective of Whistleblowing Policy is:

2.8.2.1 To protect the values of transparency, integrity, impartiality and accountability within the Bank.

2.8.2.2 Sets out avenues for legitimate concerns to be objectively investigated and addressed via a structured and effective reporting channel.

2.8.2.3 To clearly indicate the parties to whom concerns can be escalated within the Bank and ensure that all employees or person within the definition of this policy are made aware of other avenues for whistleblowing to regulators or Law Enforcement Agencies.

2.8.2.4 To allow employees or person to raise concerns about illegal, unethical or questionable practices in confidence without the risk of reprisal or detrimental action within the Bank.

2.8.3 Any employee or person may choose to disclose the concern of improper conduct anonymously. However, the Bank reserves its absolute discretion whether to proceed with investigation or otherwise. Factors, amongst others, to be considered include seriousness of the concerns, credibility of the allegations and whether the concerns can realistically be investigated from sources other than from the whistleblower.

2.8.4 The Bank shall not entertain a poison-pen letter that discloses improper conduct/misconduct other than the channels specified in the Bank’s Whistleblowing Policy.

2.8.5 The Bank should not be held accountable or have an obligation to entertain and/or investigate on improper conduct/misconduct disclosure through a poison-pen letter, although it has been forwarded to BNM, the Ministries or to the authorities.

2.9 Procurement

2.9.1 Procurement processes should be based on good governance practices by adhering to the following principles:

2.9.1.1 *Accountability*

All procurement matters should reflect the accountability of employees for the more responsible use of the Bank's funds.

2.9.1.2 *Transparency*

All procurement policies, procedures and processes must be clear, known and understood by all relevant parties including suppliers. Similarly, the tender price given to the Bank must be transparent and does not contain hidden elements. The Bank reserves the right to disclose tender information and information of winning suppliers/contractors if the

Bank deems it necessary in compliance with this principle of transparency.

2.9.1.3 *Best Value for Money*

Procurement management should give the best return for every money spent.

2.9.1.4 *Fair Equitable*

Procurement should be processed fairly and equitably based on relevant policies and procedures. Negative elements such as conflict of interest, coercion, discrimination, corruption, abuse of power should be avoided.

2.9.1.5 *Open and Fair Competition*

The procurement process should provide the same opportunities for all eligible parties to compete.

2.9.1.6 *Risk Adverse*

All procurement practices shall avoid unnecessary risk exposure to the Bank.

2.9.1.7 *Priority to Competitive Bumiputera Companies*

Procurement from Bumiputera companies should be given priority in line with the government's agenda and developmental mandate of the Bank. The basis for the selection of the company is its ability to make procurement with the required specifications.

2.9.1.8 *Development of Entrepreneurs Among Bumiputera Companies*

The Bank's procurement activities should provide opportunities for new and existing Bumiputera entrepreneurs to enter the market.

2.9.1.9 *Compliance with Shariah Principles*

The procurement process must comply with Shariah principles and practices.

2.9.2 Procurement of Integrity Pledge

2.9.2.1 Every employee who performs the procurement process must fill in a declaration form.

2.9.2.2 Each supplier who performs the procurement process must complete a declaration form.

2.10 Adequate Procedures Principles (T.R.U.S.T)

2.10.1 Bank Rakyat shall take the necessary steps to identify various corruption risks across our business, to plan and adopt Adequate Procedures Principles. These guidelines are to assist Bank to prevent the occurrence of bribe and corrupt practices in relation to business activities. These guidelines shall be the reference points for the Anti-Bribery & Anti-Corruption Policy.

T – Top Level Commitment
R – Risk Assessment for Corruption
U – Undertake Control Measure
S – Systematic Review, Monitoring and Enforcement
T – Training & Communication

Top Level Commitment

The management is responsible in ensuring Bank to:

2.10.1.1 Practices the highest level of integrity and ethics.

2.10.1.2 Fully compliant with applicable laws and regulatory requirements on anti-corruption.

2.10.1.3 Effectively manages the key bribery and corruption risks of the Bank.

2.10.1.4 Establish, maintain, and periodically review any anti-corruption compliance program, with clear policies and objectives that adequately address corruption risks.

2.10.1.6 Ensure the cultivation, institutionalization, and implementation of integrity in the Bank can be achieved by planning, executing and coordinating integrity strengthening programs to enhance the practice of the Bank's moral values, ethics and integrity as well as provide understanding on Bank Rakyat's stance on anti-bribery and anti-corruption.

2.10.1.7 Ensure the best governance in efforts to strengthen integrity among employees as well as address issues related to integrity, especially bribery and corruption, malpractice and abuse of power.

2.10.1.9 Establish a whistleblowing policy that sets out avenues for legitimate concerns to be objectively investigated and addressed. Individuals must be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

2.10.1.10 Assign and adequately resource a competent person or function to be responsible for anti-bribery and anti-corruption compliance matters, which include advice and guidance to employees and business associates in relation to the corruption program. Such person or function are CI, Internal Audit (IA) personnel, Industrial Relation (IR) personnel, Branch Compliance Governance (BCG) and/or any relevant job function that the Bank's deem fit.

2.10.1.11 Good communication of the Banks' policies and commitments on anti-corruption to both internal and business associates.

2.10.1.12 Ensure all internal parties are made aware of other avenues for whistleblowing to regulators or Law Enforcement Agencies and Bank should communicate the whistleblowing policy to third parties i.e. business associates such as contractors, consultants, vendors and suppliers and allow them to report their concerns.

2.10.2 Risk Assessment for Corruption

2.10.2.1 A corruption risk assessment should form the basis of the Bank's anti-bribery and anti-corruption efforts. As such, the Bank should conduct the assessment periodically to keep up with any changes in law or circumstances of the business. The assessment should identify, analyze, assess and prioritize the internal and external corruption risks of the Bank. This corruption risk assessment should be used as guidance in establishing appropriate processes, systems and controls to mitigate the specific bribery and corruption risks the business is exposed to.

2.10.2.2 The corruption risk assessment for bribery and corruption can be done on a stand-alone basis but it is recommended that the assessment be incorporated into the general risk register of the Bank. The assessment may include the following:

a) Potentials for bribery and corruption activities resulting from weaknesses in the Bank's governance framework and internal system/procedures.

b) Financial transactions that may disguise bribe and corrupt payments.

c) Business activities that pose a higher bribery and corruption risk.

d) Non-compliance of business associates acting on behalf of the Bank regarding legal and regulatory requirements related to anti-bribery and anti-corruption.

e) Relationships with business associates which are likely to expose the Bank to bribery and corruption.

2.10.3 Undertaking Control Measures

2.10.3.1 The Bank should put in place the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of the Bank, to address any bribery and corruption risks arising from weaknesses in the Bank's governance framework, processes and procedures.

<u>Due Diligence</u>

a) Refer to OP 602 *Pencegahan Pengubahan Wang Haram Dan Pencegahan Pembiayaan Keganasan* (AML_CFT).

<u>Reporting Channel</u>

a) Establish an accessible and confidentially trusted reporting channel (whistleblowing channel), which may be used anonymously, for internal and business associates to raise concerns in relation to bribery and corruption.

b) Encourage people to report, in good faith, any suspected, attempted, or actual bribery and corruption incidents.

c) Establish a secure information management system to ensure the confidentiality of the whistleblower's identity and the information reported.

d) Prohibit retaliation against those making reports in good faith.

2.10.3.2 The Anti-Bribery and Anti-Corruption Policy that is endorsed by the Management, should be up-to-date and publicly or easily accessible to all.

2.10.4 Systematic Review, Monitoring and Enforcement

2.10.4.1 The Bank should ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-bribery and anti-corruption program and ensure the enforcement. Such reviews may take the form of an internal audit or an audit carried out by business associates.

2.10.4.2 The reviews should form the basis of any efforts to improve the existing anti-bribery and anti-corruption controls.

2.10.4.3 The Bank needs to consider not limited to:

a) Plan, establish, implement and monitor the program, which covers the scope, frequency and methods for review.

b) Conduct continuous evaluations and improvement of the Bank's policies and procedures in relation to bribery and corruption.

c) Consider an external audit (for example MS ISO 37001 auditors) by a qualified and independent third party at least once every three years to obtain assurance that the Bank is operating in compliance with its policies and procedures in relation to bribery and corruption.

d) Periodically monitor the employee's understanding in relation to anti-bribery and anti-corruption policies and procedures to ensure their compliance in performing their roles and functions.

2.10.5 Training and Communication

2.10.5.1 The Bank should develop and execute internal and external training and communications relevant to its anti-corruption management system, in proportion to its operation. The training should cover the policy, reporting channel and consequences of non-compliance.

2.10.5.2 CI – Corporate Integrity will conduct training programs for all employees to foster awareness of anti-bribery and anti-corruption measures, and to continuously promulgate integrity and ethics. This includes virtual learning, e-learning, awareness through email blast, website or other electronic channels.

2.10.5.3 CI – Corporate Integrity may, at any time, recommend that certain training be repeated to any employee/ branch/region it deemed necessary based on any Integrity-related matters as and when required and as per CI annual plan.

2.10.5.4 BCG are deemed as Integrity Champion in conducting Integrity Awareness briefing to branches on the importance of compliance culture and practices.

2.10.5.5 Continuous awareness program should be conducted to encourage employees to report any misconduct or changes in behavior of their peers that warrants for close monitoring to be initiated. The Bank should provide assurance that the informer's identity shall be protected.

2.11 Facilitation Payment

2.11.1 Facilitation payment is the term sometimes given to an illegal or unofficial payment made in return for services that the payer is legally entitled to receive without making such payment. It is normally a relatively minor payment made to an employee or person with a certifying function to secure or expedite the performance of a routine or necessary action. Although facilitation payments are often regarded as different in nature to, for example, a bribe paid to win business, they are illegal in most locations and therefore should be prohibited by the organization's Anti-Bribery and Anti-Corruption (ABAC) Policy.

2.11.2 Facilitation payments are considered as bribes. It is not permitted by Bank Rakyat and is illegal under the applicable laws of Malaysia. Prohibiting facilitation payments is the best approach to mitigating compliance risks and avoiding liability under Malaysia anti-bribery laws.

2.12 Conflict of Interest

2.12.1 A conflict of interest is a situation where business, financial, close relative, political, or personal interests could interfere with the judgement of employees in carrying out their duties for Bank Rakyat. In other words, a conflict of interest arises when a personal interest could influence an employee's decisions, casting doubt on their ability to carry out their professional duties and responsibilities in an impartial manner.

2.12.2 Conflict of interest will arise where employee's ability to perform his duties effectively and impartially is potentially impaired by an outside appointment, relationship or activity. Employees should not take improper advantage of their position as employees of the Bank or of information obtained in the course of their employment. – *GPA Dasar Perkhidmatan Bil 10*. COBCE, Para 5.1.2 Conflict of Interests.

2.12.3 All employees of Bank rakyat are encouraged to avoid any possible conflict of interest, even by appearance, by making business decisions in the best interest of the Bank Rakyat and to disclose any financial or non-financial interests you hold that may present a conflict. Employees not declaring their conflict of interest to Bank Rakyat is a misconduct and may lead to appropriate disciplinary action.

2.12.4 Report in writing must be made on declaration form to declare any potential conflict of interest situation arises. It is responsibility of Industrial Relations (IR) Department to directly send a copy of the conflict-of-interest declaration form to the Integrity Governance Department. The original copy is stored in the Department.

2.12.5 Other Circumstances

4.5.4.1 If Bank Rakyat employees may be exposed to potential conflict of interest while performing duties, employee must declare and pass on the current job task to another employee.

2.13 Management Letter of Support

2.13.1 The purpose is to outlines the governance process for identifying and giving understanding to all employees, shareholders, business partners, MANCOs and the BODs committee on how to manage support letters.

2.13.2 “Support” means any form of communication delivered either verbally or non-verbally includes letters, memos, minutes, emails, short message services (SMS), or application WhatsApp, or any application through media, oral conversations, phone calls, or any other means intended to support a matter or influence a decision.

2.13.3 These guidelines are provided as a reminder regarding the application of MACC Act 2009, Subsection 23(1) of Act 694 to any Bank Rakyat employees regarding the prohibition of the use of positions for any bribe, whether for his own benefits, relatives or its allies.

2.13.4 All Bank Rakyat employees are forbidden from doing the following in accordance with the efforts and commitments:

a) Bringing or attempting to bring outside influence.

b) Presenting any letter of support from any government leader or influential individual to support an application or influence the consideration of a decision concerning their employment; and

c) Using outside influence or letters of support as a basis for consideration or instruction from government leaders and influential individuals in making the decision.

2.13.5 The act is listed under serious misconduct stated in (*GPA Dasar Perkhidmatan Bil.10*) – Code of Business Conduct and Ethics (COBCE), Para 5.5.1 (v), - Communication Channel Protocol, employees are not allowed to seek intervention from external parties without going through the correct procedure if they want to raise any issues concerning their employment.

2.13.6 Procedure in Managing Letter of Support

2.13.6.1 In managing letter of support, Bank Rakyat’s employees must take the following steps: (Please refer to the process flow – Management Letter of Support as in Appendix 5.2)

a) Received letter of support from Government Leaders/ Influential Individuals.

b) Support received in writing; it must be filed at the respective sector/department.

c) Shall promptly report to the Chief of Sector/ Head of Department for further instructions.

d) Inform sender of Support Letter that the said letter had been received within 14 days.

e) To process the request according to the Bank's standard policies and procedures.

f) Upon requests the respective custodian may inform the sender on the results of the Bank's assessment/approval subject to the Act and Regulations to be observed specifically on disclosure of customers information.

2.13.7 Legal Effects

2.13.7.1 If Bank Rakyat employees are found to have issued or expressed in its support letter for any bribe either for personal interests, own relatives or associates, behaviour found to be in violation of the provisions under the MACC Act 2009, Subsection 23(1) Act 694 or any relevant laws and regulations and can be punished with the prescribed punishment in MACC Act 2009, Subsection 24(1) Act 694 or any relevant laws and regulations.

2.14 Kickbacks

2.14.1 Kickbacks are an often term used in associated with commission or compensation given to encourage other parties to cooperate and favourable services in the illegally negotiated scheme. The payment ("kickback"), which could be anything include money, a gift, credit or anything of value.

2.14.2 Illegally negotiated scheme might take place for example during procurement transactions where the Vice President of procurement is requesting a kickback payment from vendors or suppliers in exchange for securing the award contract.

2.14.3 As an employee of Bank Rakyat, we are encouraged to avoid any possibility of kickback payment as this will be considered as passive bribery.

2.15 Falsification of Documents

2.15.1 Falsification of documents involves falsely altering, forging, changing, or modifying documents or false electronic record for the purpose of gaining benefits and rewards. This also include illegal monetary benefits, whereby a person knowingly makes an untrue document claim for their own benefit.

2.15.2 All Bank Rakyat employees are prohibited from committing forgery, which are counted as dishonest or deceptive acts. Any related falsification of documents act shall adhere to MACC Act 2009, Section 18, Act 694 and Laws of Malaysia, Act 574 Penal Code, Section 465 – Punishment of Forgery.

2.16 Pre-Employment and Existing Employees Screening

2.16.1 Pre-employment screening helps to reduce the risk of employing people with previous disciplinary record and/ or having false qualifications they do not possess. It allows the Bank to have greater confidence that their employee is of good character.

2.16.2 Screening shall also be extended to existing employees who are being promoted/ moved to positions that include access to sensitive/ valuable Bank's resources. Refer the standard operating procedure – 117 (Talent Acquisition).

3.0 CORRUPT OFFENCE

Corrupt offence under Act 694 (MACC Act 2009) are as follows:

3.1 Offence of Accepting Gratification under Section 16, Act 694.

3.1.1 Any person corruptly solicits or receives or agrees to receive for himself or for any other person any gratification as an inducement to or a reward for doing or forbearing to do anything in respect of any matter or transaction; or

3.1.2 Any person corruptly gives promises or offers to any person whether for the benefit of that person or of another person any gratification as an inducement to or a reward for doing or forbearing to do anything in respect of any matter or transaction.

3.2 Offence of Giving or Accepting Gratification by Agent under Section 17, Act 694.

3.2.1 Any person being an agent corruptly agrees to accept or obtain from any person for himself or for any other person, any gratification as an inducement or a reward for doing or forbearing to do, in relation to his principal's affairs; or

3.2.2 Any person being an agent corruptly gives or agrees to give or offers any gratification to any person as an inducement or a reward for doing or forbearing to do, in relation to his principal affairs.

3.3 Offence by Commercial Organization under Section 17A, Act 694.

3.3.1 A commercial organization commits an offence if a person associated with the commercial organization corruptly gives, agrees to give, promise or offers to any person any gratification whether for the benefit to that person or another person with intent-

a) to obtain or retain business for the commercial organization; or
b) to obtain or retain an advantage in the conduct of business for the commercial organization.

3.3.2 Any commercial organization who commits an offence under this section shall on conviction be liable to a fine of not less than ten times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is of pecuniary nature, or one million ringgit, whichever is the higher, or to imprisonment for a term not exceeding twenty years or both.

3.3.3 Where an offence is committed by a commercial organization, a person-

a) who is its director, controller, officer, or partner; or
b) who is concerned in the management of its affairs,

at the time of the commission of the offence, is deemed to have committed that offence unless that person proves that the offence was committed without his consent or connivance and that he exercised due diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.

3.3.4 If a commercial organization is charged for the offence referred to in subsection (3.3.1), it is a defence for the commercial organization to prove that the commercial organization had in place adequate procedures to prevent persons associated with the commercial organization from undertaking such conduct.

3.3.5 The minister shall issue guidelines relating to the procedures mentioned in subsection (3.3.4).

3.3.6 For this section, 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.

3.3.7 The question whether or not a person performs services for or on behalf of the commercial organization shall be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between him and the commercial organization.

3.3.8 For the purpose of this section, “commercial organization” means-

a) A company incorporated under the Companies Act 2016 [Act777] and carries on a business in Malaysia or elsewhere.

b) A company wherever incorporated and carries on a business or part of a business in Malaysia:

c) A partnership-

i. under the Partnership Act 1961 [Act 135] and carries on a business in Malaysia or elsewhere; or

ii. which is a limited liability partnership registered under the Limited Liability Partnership Act 2012 [Act743] and carries on a business in Malaysia or elsewhere; or

d) A partnership wherever formed and carries on a business or part of business in Malaysia.

3.4 Offence of Intending to Deceive Principal by Agent under Section 18, MACC Act 2009 (Act 694).

3.4.1 Any person who gives to an agent, or being an agent, he uses, with intent to deceive his principal, any receipt, account or other document in respect of which the principal is interested, and which he has reason to believe contains any statement which is false or erroneous or defective in any material particular and is intended to mislead the principal.

3.5 Offence of Using Office or Position for Gratification under Section 23, MACC Act 2009 (Act 694)

3.5.1 Any officer of public body who uses his office or position for any gratification, whether for himself, his relative or associate.

3.6 Attempts, preparations, abetments and criminal conspiracies punishable as offence under Section 28, MACC Act 2009 (Act 694).

3.6.1 Any person who-

a) Attempts to commit any offence under this Act;

b) Does any act preparatory to or in furtherance of the commission of any offence under this Act; or

c) Abets or is engaged in a criminal conspiracy to commit any offence under this Act, commits such offence and shall on conviction be liable to the punishment provided for such offence.

3.6.2 Any provision of this Act which contains a reference to an offence under any specific provision of this Act shall be read as including a reference to an offence under subsection (3.6.1) in relation to the offence under that specification provision.

3.6.3 Paragraph 3.6.1(a) shall not apply where an attempt to do any act is expressly made an offence under this Act, and paragraph 3.6.1

(c) shall not apply to the case of an abetment of an offence as provided for under section 164 of the Penal Code.

3.7 Penalty for offences under sections 16, 17, 18 and 23.

3.7.1 Any person who commits an offence under sections 16,17,18 and 23 shall on conviction be liable to-

a) Imprisonment for a term not exceeding twenty years; and;

b) A fine of not less than five times the sum or value of the gratification, which is the subject matter of the offence, where such gratification is capable of being valued or is of a pecuniary nature, or ten thousand ringgits, whichever is higher.

3.7.2 Any person who commits an offence under section 18 shall on conviction be liable to-

a) imprisonment for a term not exceeding twenty years; and;

b) a fine of not less than five times the sum or value of the false or erroneous or defective material particular, which is the subject matter of the offence, where such gratification is capable of being valued or is of a pecuniary nature, or ten thousand ringgits, whichever is the higher.

4.0 PROCEDURE

4.1 Purpose

4.1.1 The purpose of this document is to detail out the procedures involved in whistleblowing reporting process.

4.2 Scope

4.2.1 This procedure includes roles and responsibilities of the Bank's employees in whistleblowing reporting process.

4.3 Responsibility

4.3.1 All the Bank's employee is to ensure that the procedure, roles and responsibilities for whistleblowing reporting process are adhered accordingly.

4.4 Review and Monitoring

4.4.1 CI shall maintain a register for all disclosures made under this procedure. All documents obtained pertaining to disclosures shall be considered "Confidential" and be stored securely under the custody of the CI for seven (7) years or longer as may be decided by the CI.

4.4.2 CI shall annually update the BOD on statistics pertaining to the disclosures such as number of disclosures received to date and nature of such disclosures, status of investigations and other relevant updates.

4.4.3 This procedure will be read together with PG 526 Whistleblowing Policy.

4.5 Reporting Procedures & Channels

4.5.1 Bribery and corruption or attempted bribery/corruption shall be reported to CI.

4.5.2 Any reporting of cases relates to integrity such as any acts of corruption and malpractice that involves LED reporting should be in adherence to OP 632 Loss Event Data - Part B (2.0) LED Procedure.

4.5.3 Failure to report bribery and corruption attempt is against the PG 525 Fraud Management Framework and GPA, *Dasar*

Perkhidmatan Bil. 10, Code of Business Conduct and Ethics, Disciplinary Policy, and Procedures. All employees are not exempted from liability for bribery and corruption.

4.5.4 The reporting procedures are as follows:

4.5.4.1 Persons who become aware of an offense of bribery or corruption should immediately report the act to their respective superiors and/or CI.

4.5.4.2 If a person is informed by any relevant party of any bribery and corruption or malpractice, the employee must immediately report the offense to their respective superiors and CI.

4.5.4.3 Persons are encouraged to utilize any of the Bank's multiple channels below pertaining to improper conduct:

a) Report in writing using the Whistleblowing Form (Refer Whistleblowing Policy PG 526 - Appendix 2) direct to any member of IEC; or

b) Email to whistle@bankrakyat.com.my.

c) Bank Rakyat Corporate website (Step 1 – Click Menu; Step 2 – Click Corporate Info; Step 3 – Click Whistleblowing Policy; Step 4 – Click Procedures of Bank Rakyat Whistleblowing Policy; Step 5 – Click e-form).

4.5.3.4 The report to Complaint Management should consist of the following information:

a) Details of the person(s) involved.

b) Details of the allegation.

c) Nature of the allegation.

d) Where and when the alleged malpractice/wrongdoing took place.

e) Other relevant information deemed useful to facilitate the investigation.

f) Any supporting evidence (if available).

4.5.3.5 Persons, includes:

a) The Bank's employees, including employees on permanent, contract, temporary assignment or secondment basis, including agents and consultants working for the Bank.

b) Members of the public who are natural persons.

4.5.3.6 PG 526 Whistleblowing Policy - Clause 1.5.2 stated nothing in this procedure shall prohibits the employee or persons from making disclosures of improper conduct to the Law Enforcement Agencies, prior or after such disclosures were made to the Bank.

Item	Details
Who can disclose	a) The Bank's employees, including employees on permanent, contract, temporary assignment, or secondment basis, including agents and consultants working for the Bank. b) Members of the public who are natural persons.
What to disclose	Improper conduct constitutes one or more by any persons in the conduct of Bank's business or affairs such as bribery or corruption (If a person is unsure whether a particular act or omission constitutes a wrongdoing under COBCE, the Person is encouraged to seek advice or guidance from CI.
When to disclose	A whistle-blower shall come forward with any information or document(s) that they, in good faith, reasonably believes in and an improper conduct, which is likely to happen, is being committed or has been committed.
How to proceed	All disclosures pursuant to this Policy are to be made to the CI via the circumstances specified below: a) A disclosure can be made in writing, verbally or via electronic means such as electronic forms or e-mail.

Item	Details
	If a disclosure is made verbally, it must be followed by a report in writing using a whistleblowing form. b) If the whistleblower is an employee of the Bank, his/her name, designation, current address and contact numbers. c) If the whistle-blower is not an employee of the Bank, his/her name, name of employer and designation, current address and contact number. d) Basis or reasons for his/her concerns, including as many details of the improper conduct as reasonable possible, for instance, its nature, date, time and place of its occurrence and the identity of the alleged wrongdoing. e) Details of witnesses, if any. f) Details production of documentary evidence, if any.

4.5.3.7 The whistleblower may be asked to provide further clarification and information from time to time, for example, if an investigation is conducted.

4.5.3.8 Generally, anonymous disclosures will not be entertained. However, the Bank reserves the right to investigate anonymous disclosures depending on the facts, nature and severity of the allegation in the disclosure.

4.5.3.9 Where the alleged wrongdoer is not an employee of the Bank, management shall make an official report to the authorities, after consultation with BOD.

4.5.3.10 If one of the designated recipients is seen to be conflicted, disclosure may be made to any member of Information Evaluation Committee or Law Enforcement Agencies.

4.6 Protection to Whistleblower

4.6.1 The Whistleblower identity will be accorded with protection of strict confidentiality unless otherwise required by law. The Whistleblower will be protected from detrimental action within the Bank as consequence of the disclosure. The Bank shall not tolerate detrimental action against the Whistleblower who has made disclosure in good faith even if the investigation subsequently finds it to be untrue.

4.7 Register of Disclosure Process

4.7.1 Upon All disclosure of Improper Conduct, findings of investigations and monitoring of corrective actions shall be administered by the IDVN. SVP **CI** may assign IDVN to manage the register.

4.7.2 GCEO of the Bank shall be kept informed of any new disclosure of Improper Conduct where the GCEO is not implicated (to the extent possible, without disclosure of identity of Whistleblower) so that any interim corrective action (if applicable) regarding any Improper Conduct can be taken immediately.

4.7.3 IEC upon receiving the disclosure of Improper Conduct shall notify the Whistleblower on the receipt of the disclosure within three (3) working days. The Whistleblower shall give full cooperation during investigation.

4.7.4 IEC after evaluating the disclosure may forward it to the respective independent investigation department such as Internal Audit or Fraud Examiner or Industrial Relations department.

4.7.5 All documents with possibility of exposing the identity of Whistleblower shall be kept secret and can only be revealed by the instruction of the Court of Law.

4.7.6 Any person who attempts or makes action to reveal any documents in relation to Whistleblower identity shall be regarded as committing gross misconduct and may be referred to the People Sector or Law Enforcement Agencies.

4.8 Investigation Process

4.8.1 If necessary, the following persons may be consulted (to the extent possible, without disclosure of identities of the Whistleblower) by the Detection & Verification to assist and to provide relevant advice in relation to their respective areas:

a) People Sector - other than corrupt practices as per MACC Act 2009 for instance soliciting / receiving / offering / giving gratification, using position for gratification and intending to deceive.

b) Fraud Examiner - Fraud activities for instance falsification of documents, criminal breach of trust or as depicted in then Fraud Management Framework.

c) Any other negligence, non-compliance to existing policies, procedures, or standards to Internal Audit.

4.9 Preliminary Assessment

4.9.1 IEC will assign IDVN to conduct preliminary assessment or verification against specific disclosures to determine whether there are merits to initiate a full investigation. A preliminary assessment is necessary in cases where additional information is required before a decision can be made or to gather information and/or confiscate any records.

4.9.2 The findings of the preliminary assessment and recommendation shall be referred to IEC for its decision.

4.9.3 If the disclosure involves GCEO or any other Senior Management, BOD to decide on the investigation whether to be conducted by internal or external party.

4.9.4 If it is a criminal offence, BOD to decide if the matter should be referred to the relevant authorities, such as the MACC or PDRM for further action.

4.10 Full Investigation

4.10.1 If a full investigation is to be conducted, appointed investigation team shall conduct the investigation and to complete such investigation within three (3) months. Any extension is subject to the complexity of the case.

4.10.2 All investigators shall be protected from any detrimental action. Any detrimental action taken against investigators is categorized as breach of this policy and shall be reported to BOD.

4.10.3 All information, documents, records and disclosures relating to the investigation of an Improper Conduct shall be kept securely to ensure its confidentiality.

4.11 Findings of Investigation

4.11.1 Upon conclusion of an investigation, the findings and recommendation shall be presented to the BOD for its decision (to lodge a formal report to Law Enforcement Agencies for Criminal Offence).

4.11.2 In case where the disclosure implicates the GCEO or any Senior Management Officer, he/she shall be abstained from the decision-making processes. The BOD shall review all findings and recommendations.

4.11.3 CI to refer the decision by BOD to:

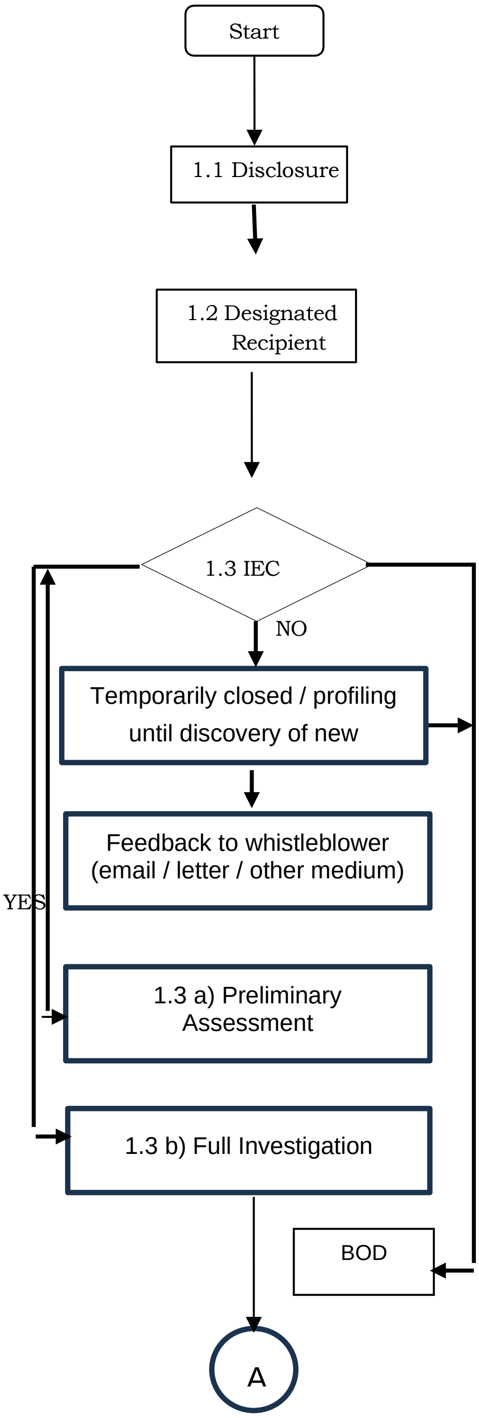
a) People Sector for disciplinary action (if any).
b) Relevant Parties for process enhancement.
c) Law Enforcement Agencies for Criminal Offence.

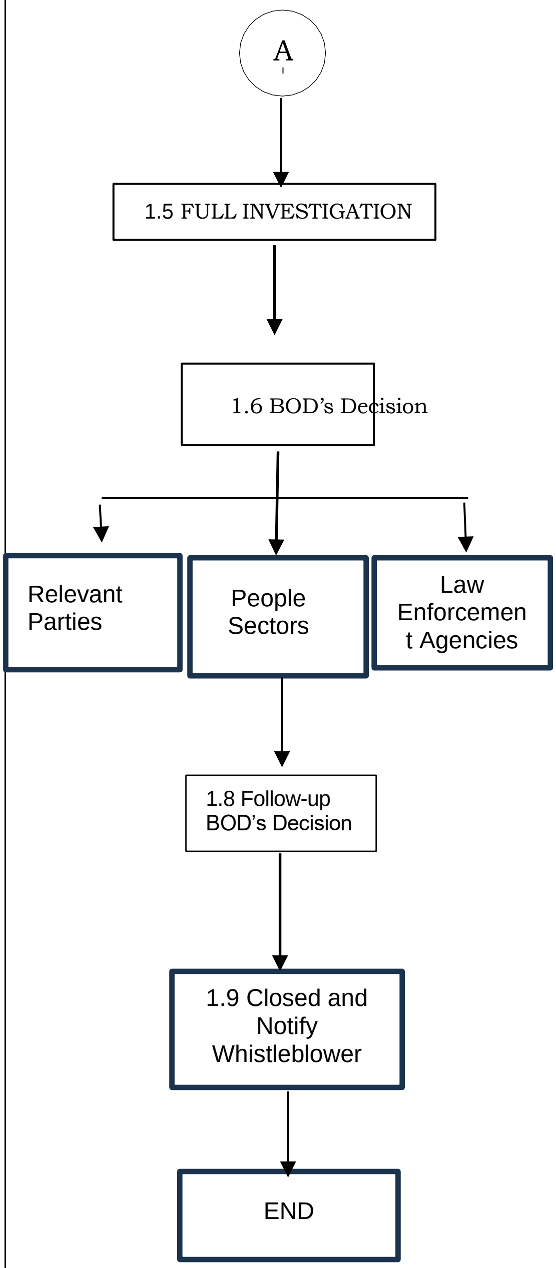
4.12 Protection to Investigation Officer (IO)

4.12.1 An investigation officer who has been authorized to conduct investigation of the improper conduct shall be accorded a protection from any adverse, detrimental action or retaliation from the Management of the Bank.

4.12.2 An investigation officer may lodge a report to the BOD or Law Enforcement Agencies (LEA) if he/she encounters any threats, adverse, detrimental or retaliation from the Management of the Bank.

4.13 Process Flow

Flow Chart	PROCEDURE	RESPON-SIBILITY	SLA/TAT (work-day)	REFERENCE DOCUMENT
	1.1 Disclosures are received from Whistleblowers or Anonymous whistleblowers from various complaint channel. i.e. form, email and in person direct to IEC member.			
	1.2 Upon receiving the disclosure of improper conduct, Designated Recipient shall notify the Whistleblower on the receipt of the disclosure	Designated Recipient	3	
	1.3 After evaluation of the disclosure, IEC may forward it to :	IEC	5	
	a. IDVN to conduct preliminary assessment or verification against **specific** disclosures	IDVN	15	
	b. the respective independent investigation department (Internal Audit or Industrial Relations or IDVN department).			
	1.4 The BOD shall be informed of the disclosure of improper conduct.			



Flow Chart	PROCEDURE	RESPON-SIBILITY	SLA/TAT	REFERENCE DOCUMENT
	1.5 If a full investigation is to be conducted, appointed investigation team shall conduct the investigation and to complete such investigation within three (3) months. Any extension is subject to the complexity of the case.	IDVN	**3 months**	
	1.6 Upon conclusion of an investigation, the findings and recommendation shall be presented to the BOD for its decision	BOD		
	1.7 CI notify relevant parties/ People Sector/ Law Enforcement Agencies	CI		
	1.8 Follow-up on BOD's decision	IDVN		
	1.9 Case closed and whistleblower will be notified.	IDVN		

5.0 APPENDIX

5.1 Appendix 1: Integrity Pledge (Compliance Declaration Form)

5.2 Appendix 2: Process Flow – Management Letter of Support

MANAGEMENT LETTER OF SUPPORT