

Introduction

Payments Network Malaysia Sdn. Bhd. (“PayNet”) explicitly recognises the importance of ethics and integrity in the daily conduct of its business and adopts a **zero-tolerance** approach against all forms of corruption. In supporting the national anti-corruption efforts, PayNet has established a robust set of systems and controls in its anti-corruption compliance programme to combat corruption risks.

PayNet Board of Directors (“BOD”), PayNet Group Management Committee (“PGMC”) and employees are expected to always practice the highest standard of integrity as the responsibility of compliance rests with every director, employee and third party acting on behalf of PayNet.

The Integrity Unit, which resides within the Compliance Department of PayNet, shall be the party responsible for all anti-corruption compliance matters within PayNet, providing advice and guidance on anti-corruption measures and performing on-going monitoring of corruption risks. The Integrity Unit primarily reports to the Chairman of Group Audit Committee (“GAC”) through the Director of Risk and Compliance Division.

PayNet’s anti-corruption policies and measures adhere to all relevant Malaysian laws and regulations, including the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”). This Corporate Integrity Statement should be read together with the following guidance and policies:

- Anti-Corruption Policy
- Anti-Corruption Manual
- Employee Handbook and Code of Conduct
- Vendor Code of Conduct
- Whistle-blowing Policy
- Procurement Policy
- Procurement Procedures
- Vendor Management Procedures
- Any other rules, procedures, guidelines, circulars, standards, codes, notices and directives issued by governing authorities from time to time.

PayNet Core Values

PayNet subscribes to a unique set of core values that serve as guiding principles for every employee on how to conduct themselves as a representative of PayNet. One of the core values, as stated below, demonstrates PayNet’s utmost commitment in ensuring an environment free of corruption and fraudulent acts.

Integrity: We are honest and ethical in everything we do. We are accountable and own our actions. We are open and transparent in our dealings with others.

Policy Development & Enhancement

The BOD and PGMC’s stance in combatting corruption risks has directly contributed to PayNet’s efforts in formulating and continuously enhancing PayNet’s internal policies and guidelines which will be aligned with the relevant laws and regulations.

PayNet’s comprehensive anti-corruption programme was formulated in line with the T.R.U.S.T principles in the Guidelines on Adequate Procedures, pursuant to the MACC Act as well as the ISO 37001:2016 standards on Anti-Bribery Management Systems.



PayNet’s Anti-Corruption Policy (“Policy”), along with its supplementary documents and procedures, were specifically articulated to help guide the BOD and PGMC members as well as employees to always conduct business activities with the highest level of integrity and ethics.

The Policy outlines the following objectives:

- Articulate PayNet’s commitment and efforts in conducting its business ethically, responsibly and within the applicable laws, rules and regulations.
- Outline appropriate measures for employees to undertake in the event any corruption activity arises.

Corruption Risk Management

PayNet has embedded a comprehensive Corruption Risk Management (CRM) methodology within its Enterprise Risk Management function, in accordance with the *Enterprise Risk Management Policy and Framework*, and performed in conjunction with the Integrity Unit function, where regular risk assessments are required to be conducted to identify and address any corruption risks, develop mitigating controls, implement those controls and continuously monitor the identified risks.

Key Internal Control Policies & Guidelines

In addition to the Policy, supplemented by the Anti-Corruption Manual, corruption risks are addressed through a number of other internal policies and procedures, which include, but are not limited to, the following:

- i. PayNet's stance on gifts, entertainment and hospitality can be found in the Anti-Corruption Manual, in which it prohibits Employees to accept or offer gift, hospitality or entertainment, with the exception for meals/corporate events under PayNet's approved threshold of RM400. PayNet Employees must take reasonable steps to avoid giving, offering or accepting any form of gifts, entertainment and other benefits;
- ii. PayNet employees must adhere to the *Procurement Policy* and *Procurement Procedures* to ensure the purchase of all required goods and services for the satisfactory operation of PayNet is executed in a transparent and effective manner;
- iii. PayNet's *Vendor Management Procedures ("VMP")* outlines the processes and requirements in the appointment and management of vendors and any third parties appointed to act on behalf of, or perform services for PayNet;
- iv. The *Vendor Code of Conduct* clarifies the expected behavioural standards for vendors when performing their services for PayNet;
- v. PayNet also maintains a *Whistle-blowing Policy* which entails the escalation and reporting of matters including corruption and bribery; and

- vi. PayNet requires sufficient due diligence and if required, enhanced due diligence, to be undertaken to ensure third parties or persons associated to PayNet are suitable to act on behalf of PayNet.

Ongoing Monitoring & Reviews

The Integrity Unit will undertake periodic risk-based monitoring of corruption risks within the whole of PayNet and review existing and develop new policies and procedures to ensure continuous compliance with evolving anti-corruption requirements. Additionally, on a periodic basis, PayNet's anti-corruption measures, including the anti-bribery management system, will be reviewed by PayNet's BOD, GAC and PGMC to ensure its effectiveness, adequacy and continual improvement.

Training & Awareness

In the process of ensuring every individual in PayNet is adequately furnished with the proper information on anti-corruption, the Integrity Unit, in collaboration with Human Capital Management Division, shall provide adequate training sessions and compliance awareness programmes for internal stakeholders like PGMC and employees, and external stakeholders such as vendors, third parties or persons associated with PayNet. The members of PayNet's BOD will also be equipped with proper training in relation to the same subject matter.

Reporting Channel

BOD and PGMC members as well as employees who encounter any suspected, attempted or actual instances of corruption practices, must immediately report via the approved channels, using the escalation processes stipulated in the *Whistle-blowing Policy*.