



Statement of Policy on Anti-Corruption and Ethics



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Issued by: Robert Youill, Executive Director, Key Risk Training Solutions

Policy no: 1/2019

Issue date: March 2019

Statement of Policy on Anti-Corruption and Ethics

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Overview

Key Risk Training Solutions (“KRTS” or “the Company”) policy prohibits bribery in any form. It is KRTS’s policy to comply with the letter and the spirit of anti-corruption laws in every jurisdiction in which we do business. KRTS’s Anti-Corruption Policy demonstrates and reflects our commitment to the highest prevailing international anti-corruption standards.

We highly value integrity, as this underpins the intention behind our entire vision. Our website carries this *Statement of Policy on Anti-Corruption and Ethics* for all to see, and which is designed to put us in-line with major ethical operating, financial, and judicial standards Worldwide, while also complying with standards on protection of privacy. This statement also carries a comprehensive policy on malpractice and maladministration.

We are committed to maintaining the highest standards in:

- Course preparation, management, and delivery;
- The standards of conduct of our Content Deliverers;
- The safety and welfare of students; and
- The practice of ethical administration.

Should any member of Key Risk Training Solutions, our Content Delivers, our students, or other interested external bodies and partners, feel that we are failing to uphold these standards in any way, we will conduct a thorough investigation, the results of which, will be communicated to the aggrieved party. In addition, we commit to notifying appropriate law enforcement authorities in appropriate situations.

Applicability

Being domiciled in Malaysia, the Company is subject to the **Malaysian Anti-Corruption Commission Act 2009**. In so far as we do business with, and on behalf of, companies subject to their home domiciled anti-corruption laws, such as the United States Foreign Corrupt Practices Act (the “FCPA”) and the UK’s Bribery Act 2010, these have broad extra-territorial effect with which we also seek to comply.

In addition, laws implementing the OECD Convention Against Corruption, the United Nations Convention Against Corruption, and additional laws in countries in which the Company operates, governs the conduct of KRTS members in these jurisdictions. Virtually all of these laws prohibit the bribing of “Government Officials”. The UK Bribery Act, and various laws in many jurisdictions (including some U.S. states) also criminalize the bribing of private persons.

This Policy is applicable to the Company and its affiliates worldwide. Where specific conduct may be permitted under this Policy but is prohibited by local law, KRTS members must comply with local law, and KRTS’s Agents are responsible for ensuring that their teams, working under the Company’s direction, or under an engagement agreement comply with this Policy. Where additional guidance is needed, please contact KRTS’s Executive Director (“the Executive Director”).

All members of the Company, and its Agents, are subject to this Policy. It also applies to any third parties acting on the Company’s behalf and for its benefit. All members of the Company are expected to become familiar with and comply with this Policy, to participate in training on an annual basis, and to communicate its tenets when engaging with colleagues, Agents, and third parties.

Policy Statement

KRTS prohibits engaging in, or tolerating, bribery or any other form of corruption.

This includes the giving or receiving of bribes, kickbacks, or any other kind of improper benefits, and stipulates on conflicts of interest, whether involved in dealings with government officials or private entities.

No employee will be penalized for failing to take a bribe.

If members have any doubts or questions as to whether their conduct is permissible under governing law or this Policy, they should contact the Executive Director.

KRTS Anti-corruption Policy

Definitions

Anything of Value

For the purpose of this Policy, the term *Anything of Value* is defined to include both financial and other non-financial advantages. Things of value include, for example, gifts, entertainment, favors, services, loans and loan guarantees, the use of property or equipment, job offers, transportation, the payment of expenses or debts, and any gratification as defined under Malaysian Law and applicable international statutes.

The Policy makes no exception with regard the value of an advantage, sought or given, made with intent to bribe.

While not specifically recognized as bribery in some jurisdictions, this Policy prohibits *facilitating payments* (sometimes referred to as *speed* or *grease* payments) made solely to expedite or secure the performance of routine actions such as:

- a) Obtaining licenses, permits and other official documents to qualify to do business in a foreign country;
- b) Processing governmental papers
- c) Obtaining police or other government enforcement agency; and assistance
- d) Actions of a similar nature.

It may be permissible, in relation to Company business with a Government Official, to incur expenses in connection with the legitimate promotion or demonstration of the Company's services and products. Such expenses are discussed more fully below.

Associates and Agents

KRTS will use third parties to conduct work in specific locations or requiring specific expertise. When such third parties are operating under direct tasking (whether under contract or not) from the Company, they are regarded as being *Associates and Agents* ("Agents") and, as such, subject to the contents of this Policy, as described from here on. These may include: consultants, Agents, representatives, sub-contractors, or other third parties.

Government Official

The term *Government Official* is broadly defined to include any individual who holds a legislative, administrative, or judicial position of any kind, whether appointed or elected; who exercises a public function; or who is a member, official or Agent of a public body, or public international organization (such as the United Nations, the World Bank or the International Monetary Fund). Government Official also includes any official of a political party, and any candidate for political office.

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Our Policy also extends the definition of Government Official to any executive, officer, Agent, or employee of a government-owned, or government-controlled business (such as state-owned bank or utility, a sovereign wealth fund, or a public university).

Under this Policy, Government Official includes any person who is acting in an official capacity for the entities described above, including a private consultant who also holds a position with, or acts in behalf of, a government, or with a public international organization, or with an enterprise owned or controlled by a government.

Improper Advantage

A violation of this Policy, through the giving or agreeing to give a Government Official a thing of value, may arise in many ways, not just solely in the context of trying to win a contract or business.

Governing laws and our Policy prohibit a payment made with the intent (whether expressed or implied) to secure any business advantage. For example, improper payments or benefits may not be offered or given to a Government Official:

- To influence the award of a government contract;
- To prevent some governmental action, such as imposition of a fine;
- To obtain confidential information about opportunities for business, bidding, or competitors' actions;
- To obtain a permit or license, other than to cover appropriate fees;
- To obtain relief or exemption from government controls or regulations of any kind; or
- To affect the nature of regulations or the application of regulatory provisions.

Bribery of Government Officials

The Company, its partners, members and Agents are prohibited from offering, promising or giving *anything of value* to a Government Official, directly or indirectly, with the intention of influencing him or her in his capacity as a Government Official to obtain or retain business, or obtain or retain a business advantage.

This Policy prohibits an *offer or promise* of a bribe, even if the Government Official rejects the offer, or it fails to bring about the desired outcome.

In relation to Company business with Government Officials, in certain circumstances it may be permissible to incur reasonable and proportionate expenses, in good faith, to further the promotion of the Company's services and products, including the provision of hospitality.

Expenses in such circumstances are specifically discussed further on in the Policy under 'Meals, Entertainments, Travel, and Gifts'.

The term Government Official is broadly defined to include any individual who holds a legislative, administrative, or judicial position of any kind, whether appointed or elected; who exercises a public function; or who is an official or Agent of a public international organization (such as the United Nations, the World Bank or the International Monetary Fund). Government Official also includes any official of a political party, and any candidate for political office.

In addition, under our Policy, Government Official also includes any executive, officer, Agent, or employee of a government-owned, or government-controlled business (such as state-owned bank or utility).

Private Sector Bribery

The Company, its partners, members and Agents are prohibited from offering, promising or giving *anything of value* to a private person, directly or indirectly, with the intention to induce a person to improperly perform, or abstain from performing, a function or activity, such as required by his or her work or other quasi-official dealings (such as holding a position on the board or management committee of a private society, building, or social club), or to reward a person for having improperly

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performed, or abstained from performing, a function or activity required in the course of his or her work, or other quasi-official dealings.

An *offer or promise* of a bribe, even if rejected by the private person, or it fails to bring about the desired outcome, is also prohibited under the Policy.

In relation to Company business with private persons, it may be permissible to incur reasonable and proportionate expenses, in good faith, to further the promotion of the Company's services and products, including the provision of hospitality.

Expenses in such circumstances are specifically discussed further on in the Policy under 'Meals, Entertainments, Travel, and Gifts'.

Solicitation, Extortion, Health and Safety

Payments are prohibited, even if requested or demanded by a Government Official, or where threatened by the Government Official with adverse action against the individual or Company unless a payment is made.

On an occasion when it may be necessary to protect an individual's health and safety, any payment demanded or requested must be reported at the first possible opportunity to the Executive Director, who will consider what action to take, whether to acquiesce for the purposes of health and safety of the individual, or to notify local law enforcement authorities. The payment amount, purpose, circumstances surrounding it, notification, and action taken by the Executive Director, must be accurately recorded in the Company's records.

First consideration should be to notify local law enforcement authorities in such circumstances unless there are obvious and immediate extenuating circumstances, in the judgment of the Executive Director, guided by KRTS's senior partners.

If it is not possible to notify the Executive Director before such a payment is made, he should be notified at the first practicable opportunity after, of the full circumstances and fact and amount of the payment. Similarly, all such information will be fully and accurately recorded in the Company records.

Conflict of Interest

A *conflict of interest* may arise when an individual's personal interest interferes, or even appears to interfere, with the best interests of the Company. All members must act in the best interests of the Company at all times and are required to familiarize themselves with the Company's policies on conflicts of interest.

Conflicts of interest may fall under Company policy on bribery when an employee requests, agrees to receive, or receives *anything of value*, in a way that interferes, is intended to interfere, or could be viewed as interfering, with the employee's judgment and exercise of his or her responsibilities on behalf of the Company.

Books, Records and Accounting

The Company is required to maintain books and accounting records that accurately reflect all transactions in reasonable detail. These record-keeping requirements apply to all payments made in the name of the Company, and not solely those made in the traditional financial sense.

Company officers, directors, members and Agents are prohibited from manipulating books or records in order to hide or obscure, or deflect scrutiny from, transactions, whether by recording them in an oblique manner, or by omitting them entirely. Similarly, undisclosed, unrecorded, or shadow records will not be maintained.

Penalties

Any employee who is found to have violated the law may face harsh penalties, including significant fines as well as incarceration. In addition, the Company may be precluded from doing business with government entities in Malaysia, the U.S., Europe and elsewhere.

Violation of this Policy and/or relevant laws will result in discipline by the Company, up to and including termination of partnership, contract, or association with the Company.

Meals, Entertainment, Travel, and Gifts

Under this Policy, incurring certain expenses for a Government Official directly related to the promotion or demonstration of the Company's services and products is permissible. In addition, the Policy permits expenditure for reasonable meals and entertainment for private persons, in the context of establishing and maintaining open business relationships. All such expenses must be reasonable and appropriate, as outlined below.

Whether in the course of interactions with the public or private sector, hospitality and promotional expenses may not be used to exert improper influence.

Accordingly, even reasonable expenses are prohibited when they are intended to improperly influence a business or regulatory decision, or if they are meant to reward a person for having improperly performed, or abstained from performing, a relevant responsibility.

Even if a benefit is considered reasonable under this Policy, it may not be offered or conveyed if the recipient is not permitted to accept it; perhaps because the recipient's company policy forbids it, or it is prohibited under local laws or regulations.

All such proportional expenses must be fully documented, supported by original receipts, correctly approved by the Company, and submitted in line with the following procedures, and any other procedures governing expense authorization and approval policies and procedures.

Meals, Gifts, and Entertainment of Government Officials

Meals, entertainment, and gifts are considered *things of value* under the Policy and may never be offered or provided to a Government Official with the intention of influencing that official to obtain or retain business, or to secure a business advantage.

Lavish meals, expensive gifts, extravagant entertainment, cash gifts, or travel unrelated to Company business (as explained further below) are never appropriate.

The terms *lavish*, *expensive*, and *extravagant* are to be interpreted from their common dictionary meanings.

All meal and related entertainment expenses paid by the Company for a Government Official must have the prior approval of the Executive Director¹. Meal and related entertainment expenses for a Government Official may be incurred without the prior approval of the Executive Director, only if the following conditions are met:

- a) The meal or entertainment is provided in connection with substantive business meetings, occurs in the same general location as such meetings, and is attended by appropriate Company representatives;
- b) The value of the meal or entertainment expenses are consistent with entertainment or expense policy stated in this Policy;

¹ The Executive Director may waive this requirement for individuals or groups who have demonstrated clear understanding and restraint in respect of government gift rules.

- c) The entertainment or meals are permitted under applicable Malaysian, U.S. U.K and local written laws, as well as any rules or regulations of the recipient's employer; and
- d) The expenses are properly recorded and approved in accordance with Company policies.

The Executive Director should be informed of any such expenditure as soon as possible after being incurred.

Gifts (as outlined below) made to a Government Official may only be given as a goodwill gesture, and gifts may never be offered or given for the purpose of obtaining or retaining business or any improper advantage. Cash gifts are never permitted.

Permissible gifts to be provided to a Government Official should be limited to Company logo gifts and may be provided only if the following conditions are met:

- a) The item is of nominal value bearing the Company's logo;
- b) The gift is permitted under applicable Malaysian, U.S. U.K and local laws, as well as any rules or regulations of the recipient's employer; and
- c) The expenses involved are properly recorded and approved in accordance with Company policies.

Travel for Government Officials

Occasionally, a Government Official may request the Company to pay for his or her travel and lodging expenses in connection with trips to meet with Company representatives, or to attend seminars sponsored by the Company. Reimbursement of such expenses by the Company, for and on behalf of a Government Official, require the prior written approval of the Executive Director.

It is generally acceptable to make reimbursement for reasonable and *bona fide* travel, accommodation and meal expenses in connection with a contract between the Company and a government or required to allow for a demonstration of the Company's capabilities relating to proposed business with a government. In all cases, the Company should arrange to reimburse expenses to the government entity direct, rather than to the Government Official personally. Reimbursements are not to be made:

- a) By cash payment directly to a Government Official;
- b) For expenses relating to family members or other persons accompanying the Government Official;
- c) For expenses relating to destinations not directly related to the Company's facilities, products, or services; or
- d) For travel expenses greater than those likely to have been incurred by a Company employee of equivalent status as the Government Official if such employee were to travel to the same destination.

Private Hospitality

KRTS may, occasionally, engage in sponsoring promotional and educational events. Members of the Company must exercise care should they see the need to invite a business person to attend any such events if there is a business decision expected or pending with that person's employer, and which could benefit the Company. If in any doubt regarding the appropriateness of extending an invitation to a promotional or educational event, you should contact the Executive Director.

Political Contributions

No Company funds, assets, services, or facilities shall be contributed to any politician, candidate for political office, political party, or political action committee without the prior written approval of the Executive Director, supported by KRTS's senior partners, whether or not the written laws of the relevant country allow such payments.

A *political contribution* does not only include monetary donations, but also payments for fundraising dinners or other financial or material support.

The following criteria must all be met when the Company makes a political contribution to a political candidate for political office, political party, or political action committee in a foreign country:

- a) **Compliance with Local Law:** Local legal counsel must be consulted and provide confirmation that such a payment is legal under the applicable country's law.
- b) **Approval:** The Executive Director, supported by KRTS's senior partners in writing, must approve any political contribution before any payment is made. The request for approval must be written and include information sufficient to prove that it is *bona fide*.
- c) **Record Retention:** All documents pertaining to the contribution, including documents described in paragraphs (a) and (b), shall be kept by the Executive Director for the Company's compliance files.

Donations to Charities and Event Sponsorship

Charitable donations and event sponsorships are often used as a means to conceal a bribe. Even *bona fide* donations could be construed as an attempt to influence a Government Official or another person or might give rise to a *conflict of interest*.

Donations to charities and event sponsorships must not be made in an effort to obtain or retain business or a business advantage for the Company with a Government Official, any other private person, or company; or if a *conflict of interest* is likely to arise, or be construed, by a third party.

The following procedures apply to any donation of Company funds, assets, services, or facilities, or use of Company assets (such as name or reputation) for a charitable entity or in connection with an event sponsorship (these are in addition to, not in lieu of, any other applicable expense or authorization policy or procedure:

If the donation involves a Government Official (including an event honoring a Government Official, or an organization established or controlled by or named after a Government Official), written approval must be obtained from the Executive Director. This notice should describe the charity, the identity of the party requesting the donation, the names of persons contacted at the charity, the amount of the proposed contribution and any supporting documentation, which should be submitted. The Executive Director, in consultation with local legal counsel, must first determine that the contribution fully complies with local laws before any donation is considered for approval. All documents relating to the donation should be forwarded to the Accounting Department and to the Executive Director for the Company's compliance files.

Where donations do not involve Government Officials, sufficient due diligence must be performed to ensure that the recipient is a *bona fide* and legitimate organization (the organization must be a legitimate charitable organization, according to applicable local laws, in the case of a charitable contribution). Unless the recipient entity is both known to the Company and to the general business community, this diligence should include documented research to confirm that the recipient is a legitimate charitable entity.

Note that any member of the Company or Agent, acting on his or her own behalf, is not prohibited from making private donations, sponsorships, or providing personal assistance to events or charities, so

long as there is no express or implied reference to involvement of the Company, and any actual or potential *conflict of interest* is avoided. However, it is prudent, though not a requirement, that such member inform the Executive Director of any such activity as soon as practical, and such is recorded in Company records.

Relationships with Agents and Business Partners

Agents

This Policy strictly prohibits using an Agent, consultant, intermediary, or other third party to pay or give a bribe.

The actions of third parties present particular risks, because in certain circumstances the Company and its members can be held liable for improper payments made by a third party even if the Company did not have knowledge of the actual payment or circumstances leading to the improper payment.

This Policy requires strict due diligence, and controls, to be conducted when dealing with third parties who may interact with Government Officials or who may interact with private parties for or on behalf of the Company. Whenever the Company seeks to engage an Agent in a context in which they may interact with a Government Official, or act for or on behalf of the Company in private matters, the following guidelines must be followed.

Due Diligence

Due diligence must be performed to ensure that –

- The Agent is a *bona fide* and legitimate entity;
- Is qualified to perform services for which it will be retained; and
- Maintains standards consistent with the ethical and reputational standards of the Company.

The level of diligence to be conducted should reflect the particular corruption risks from the engagement and be undertaken in accordance with applicable policies. The diligence exercise may include –

- External research and confirmation of the Agent's qualifications;
- An in-person meeting or interview with the principals of the Agent;
- Scrutiny of public profile information; and
- Written response from the Agent to written questions regarding its structure, history, connections to Government Officials, and references.

All documents relating to the diligence should be retained for five years following the end of the Agent's work on the project.

Diligence should be enhanced if there are suggestions of impropriety, such as the following:

- Unusual or excessive payment requests for over-invoicing, up-front payments, unusual commissions, or mid-stream compensation payments;
- Requests for payments in a different country, to a third party, to a bank account outside of the country in which the Agent operates, or in cash or other untraceable funds;
- A close relationship between the representative and a Government Official or commercial counterparty;

- Any refusal or hesitancy by the Agent to promise in writing to abide by the Company's Policy and governing law;
- Charges against the Agent for violation of local or foreign laws, or regulations concerning the award of government contracts;
- A demand or strong suggestion by a Government Official or commercial counterparty that a particular Agent should be retained;
- Reliance by the Agent on government or business contacts as opposed to knowledgeable staff and investment of time to promote the Company's interests; or
- The Agent expresses a desire to keep his representation of the Company or the terms of his retention secret.

Written Contract

Agreements with Agents must be in writing and must describe the services to be performed, the basis for the compensation of the Agent, the amounts to be paid, and other material terms and conditions of the representation. Written agreements must contain the following provisions:

- A representation that the Agent will remain in compliance with all relevant local anti-corruption laws where operating, including FCPA. The Agent should be required periodically to certify its compliance with laws, and to notify the Company of any breaches of compliance with anti-corruption laws.
- A provision allowing the Company to terminate the contract if the Company believes, in good faith, that the Agent has breached relevant anti-corruption laws or the FCPA.
- A provision that requires the Agent to respond to reasonable requests for information from the Company regarding the work performed under the agreement and related expenditures by the Agent.

Agreements with Agents who may interact with Government Officials must be reviewed and approved by the Executive Director.

Supervision

The KRTS Business Contact (i.e. the person in the Company who is procuring the services of the Agent) is responsible for supervising the Agent and monitoring the Agent's conduct at a level commensurate with the risks associated with the Agent's activities.

Payment Procedures

Payments to an Agent should never be made in cash and should be made to the Agent's bank account in the country where the services are performed or where the Agent's offices are located. Payment to other locations must be approved in advance by the Executive Director.

Business Partnerships and Co-Promotion Activities

From time to time, the Company may partner with another entity ("Business Partner") for example: under a business *retainer* arrangement; or for the purposes of submitting a proposal bid, or tender application. Such combinations could present legal and reputational risks to the Company if the conduct of the Business Partner is inconsistent with the Company's Policy or in violation of relevant anti-corruption laws. Accordingly, the Company should perform appropriate due diligence of potential Business Partners in such circumstances. In addition, the Company should obtain written agreement that:

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- The Business Partner will act in compliance with all relevant anti-corruption laws in connection with the proposed business; and
- If a project is secured, the Business Partner will notify the Company of any breaches of relevant anti-corruption laws.

Joint Ventures and Business Combinations

In considering and executing joint ventures and other business combinations, the Company should ensure that there is appropriate due diligence of the potential partner, and that there are appropriate legal protections in agreements with the partner. Because each transaction is likely to involve unique factors, the Executive Director should be consulted early in the process regarding an appropriate due diligence work plan, and appropriate representations, warranties, and covenants.

Where to Get Help

You may ask questions about this Policy or report suspected violations by contacting the Executive Director.

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Robert Louis Youill
Executive Director