

CODE OF BUSINESS ETHICS (SUPPLIERS, SERVICE PROVIDERS AND BUSINESS ASSOCIATES)

The Institute of Internal Auditors Malaysia

Background

The Institute of Internal Auditors Malaysia ("IIA Malaysia" or the "Institute") is dedicated to maintaining the highest standards of ethics and integrity. This Code of Business Ethics (the "Code") is formulated to enhance the standards of corporate governance and corporate behaviour with the intention of achieving the following aims:-

- to establish a standard of ethical behaviour for suppliers, service providers and business associates of IIA Malaysia based on mutual trustworthiness and values that are acceptable;
- to uphold the spirit of responsibility and social responsibility in line with existing rules, regulations and guidelines for conducting business; and
- to formalise and inculcate ethical values through the Code and ensure their implementation and compliance.

Scope of, and compliance with, the Code of Conduct

This Code is based on the principle that IIA Malaysia intends to form a business relationship with its suppliers, service providers and business associates, including vendors, agents, service providers, consultants, business partners, and any third parties performing business or service for or on behalf of IIA Malaysia (collectively known as "Covered Person") which is built based on mutually acceptable standards of business ethics, including openness, transparency, accountability, and integrity.

All Covered Persons are expected to adhere to this general principle as well as to comply with all the specific provisions of this Code that are applicable to them and other policies adopted by IIA Malaysia.

Failure to observe these policies may result in a review of business relationship, including but not limited to, a review of contracts or termination of business relationship. Furthermore, violations of this Code may also constitute violations of the law and may result in civil or criminal penalties.

Compliance with laws

IIA Malaysia conducts its business in accordance with all applicable laws and regulations. Compliance with the law does not comprise IIA Malaysia or a Covered Person's entire ethical responsibility. Rather, it is a minimum, essential condition for the performance of IIA Malaysia's and a Covered Person's duties.

This Code highlights issues, but does not attempt to cover every circumstance which may arise. When conducting business with or for IIA Malaysia, Covered Persons are responsible for knowing and complying with all applicable laws and regulations and are urged to consult with their respective liaisons in IIA Malaysia as to questions concerning these laws and regulations.

Fair Business Dealings

The Institute conducts business on the basis of fair business terms considering, amongst others, the quality, pricing, reliability, availability, etc., of the goods and services in the best interest of the Institute's business. It expects a Covered Person to conduct business, either with the Institute or on behalf of the Institute, with integrity, honesty, fairness, openness, and transparency. Information provided by person associated in the conduct of business shall be accurate and not misleading.

The Institute prohibits the use of "side agreement" which is:-

- intended to circumvent an official primary agreement or contract; or
- drafted between other third parties other than, and without the consent of, the parties involved in the primary agreement or contract.

Accountability

The Institute expects a Covered Person to be fully accountable for the delivery of contractual obligations, including services rendered and goods provided, on a timely basis in accordance with specific agreements, contracts, or undertaking made with the Institute.

Conflicts of interests

Covered Persons must be sensitive to activities, interests or relationships that interfere with, or which appear to interfere with, the fundamentals of the business relationship between IIA Malaysia and the person associated. These activities, interests or relationships are considered "conflicts of interest". Conflicts of interest situations may impair, or appear to impair, the independence or objectivity of the decision-making process in relation to business decisions between IIA Malaysia and person associated or any judgment a person associated may need to make on IIA Malaysia's behalf. This includes, but is not limited to, direct or indirect relationships with a Governor, Committee member or Secretariat of IIA Malaysia that may compromise objective decision-making process within IIA Malaysia.

If a Covered Person discovers that, as a result of changed circumstances or otherwise, he/she has become involved in a conflict of interest in a manner that violates or may violate this Code, the Covered Person must report that conflict to his/her liaison in IIA Malaysia as soon as the matter comes to his/her knowledge.

As it is impossible to describe every potential conflict of interest, we necessarily rely on the Covered Person to exercise good judgment, to seek advice when appropriate and to adhere to ethical standards in the conduct of a Covered Person's professional and personal affairs.

Confidential information

No Covered Persons shall use non-public information or confidential business information for personal benefit or the benefit of other persons. Covered Persons are prohibited to provide information to others, including, but not limited to, family, friends and business associates relating to the Inside Information until the Inside Information is publicly released.

Anti-bribery and corruption

Bribery and corruption acts involve the promising, offering, authorising, soliciting or accepting of gratification, not confined to monetary form, as an inducement to gain or provide, or as a reward for having gained or provided, an undue advantage in which cases such acts could influence the intended recipient's judgement, views or conduct.

Henceforth, Covered Persons are strictly prohibited from attempting to, directly or indirectly, promise, offer, authorise, solicit, or accept any gratification, to or from anyone, as the case may be, that constitutes or could be reasonably perceived as constituting, unfair business inducements or that would violate laws or regulations or our other policies, when conducting business for or on behalf of IIA Malaysia. Covered Persons are required to comply with the Anti-Bribery and Corruption Policy established by the Institute. Violations of this provision of the Code or the Institute's Anti-Bribery and Corruption Policy may constitute violations of the law and may result in civil or criminal penalties.

Anti-money laundering and terrorism financing

IIA Malaysia does not engage in any money laundering or terrorism financing activities and it does not associate itself with such criminal activities of others within its business operations. The Institute shall not hesitate to act in accordance with applicable laws and regulations to report any suspicious activity to the authorities, where required.

Covered Persons performing business for or on behalf of the Institute understand and agree that counterparty due diligence may be required to be performed on them for the Institute to understand their business and background, including, but not limited to, details of directors and shareholders, source of proceeds or funds, etc.

Rights to Audit Suppliers, Service Providers and Business Associates

Subject to the provisions of the business arrangement with IIA Malaysia, the Institute retains the right to audit, at its own cost and expense, its suppliers, service providers and business associates in relation to adherence to the Institute's Code of Business Ethics (Suppliers, Service Providers and Business Associates), as and when necessary. Covered Persons shall cooperate and provide the Institute's auditors with the information and documents required, especially if the audit is one that is required in relation to compliance with laws and regulations.

Integrity and Background Declaration

The Institute may require the provision of an integrity and background declaration by certain Covered Persons at a different frequency (e.g. annually, bi-annually, etc.) as determined by IIA Malaysia. Such requirement does not indicate any form of suspicion or distrust, rather they serve as a control measure to protect the integrity of the business relationship between IIA Malaysia and the Covered Persons.

Accountability for adherence with this Code

The Board of Governors ("Board") of IIA Malaysia enforces this Code. If an alleged violation of this Code has been reported to it, the Board (or its nominated persons) shall determine whether that violation has occurred and, if so, shall determine the next course of actions to be taken.

Review of this Code

This Code is approved by the Board of IIA Malaysia on 28 May 2020.