

SESSION 2

ETHICS AND GOVERNANCE IN THE ERA OF DISRUPTION

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IN TODAY'S WORLD
BUSINESS ETHICS ARE
NOT AN OPTION,
THEY ARE A
REQUIREMENT

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FCPA PROSECUTIONS FOR CORRUPTION

Odebrecht/Braskem (Brazil, 2017): \$2.6 bn (total)

Siemens (Germany, 2008): \$1.6 bn (total)

Telia Company AB (Sweden, 2017): \$965 million

Société Générale (France, 2018) \$860 millions

VimpelCom (Holland, 2016): \$795 million (total)

Alstom (France, 2014): \$772 million

KBR/Halliburton (USA, 2009): \$579 million

Teva Pharma (Israel, 2016): \$519 million

Keppel Offshore (Singapore, 2017): \$422 million

Och-Ziff (USA, 2016): \$412 million

ODEBRECHT

SIEMENS



ALSTOM



TEVA





RAPID CHANGES IN TECHNOLOGY CREATE **NEW RISKS**



World's Largest Companies by Market Cap

Accurate as of July 29, 2016 (10:50am ET)





HOW IS VALUE BUILT (AND DESTROYED) TODAY?

80% of these company's value is **non-tangible**

- Brand / good will
- Intellectual property
- Human capital / abilities
- Culture

WHAT HAPPENS WHEN THINGS GO WRONG FOR A **NON-TANGIBLE-ASSET-BASED** COMPANY?





FACEBOOK DISRUPTED BY A DATA BREACH

Facebook has lost \$80 billion in market value since its data scandal

by Paul R. La Monica @lamonicabuzz

March 27, 2018: 4:41 PM ET



Tech stocks in general have taken a hit since the Facebook allegations first came to light. The Nasdaq is down 6%.

Zuckerbe

And other social media companies, most notably YouTube owner Google and Twitter, have both nosedived as well. Shares of Google parent Alphabet (GOOGL) fell 7% since March 16 while Twitter has plunged 20%. Twitter (TWTR) was down 12% alone on Tuesday after noted short seller Citron Research has changed its tune on the company's stock.

Facebook
Zuckerbe
company's data scandal.

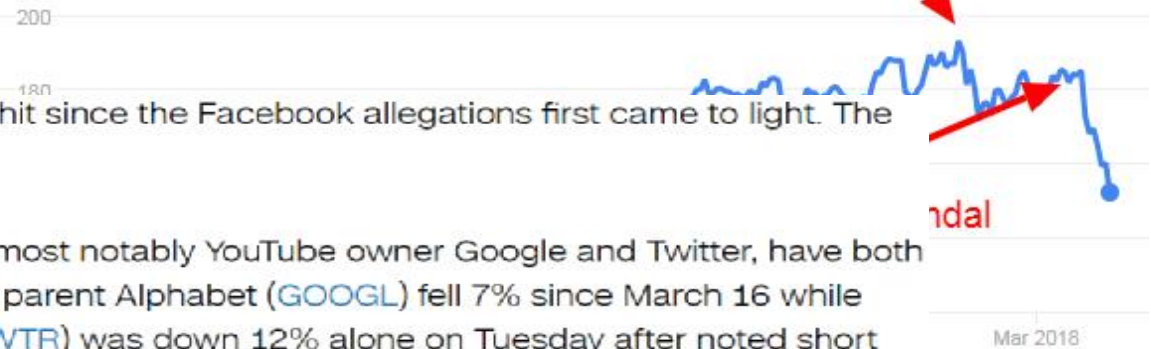
Facebook, Inc. Common Stock
NASDAQ: FB - Mar 28, 6:15 AM EDT

152.22 USD ↓ 7.84 (4.90%)

After-hours: 151.38 ↑ 0.55%

Facebook's share price peak

1 day 5 day 1 month 3 months 1 year 5 years max



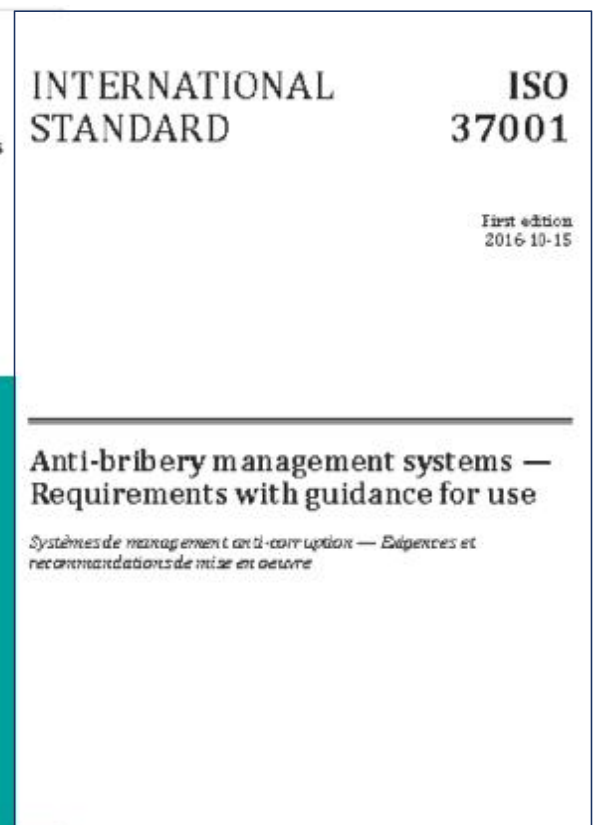
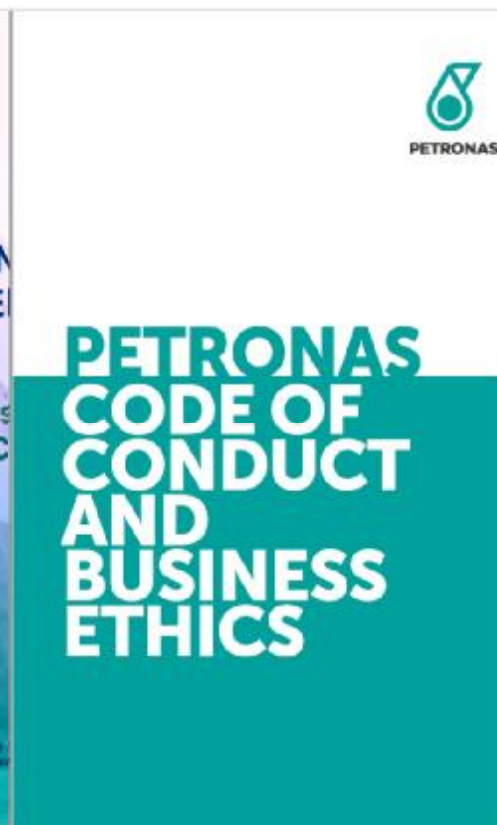
IN TODAY'S WORLD, THE INTERNET KNOWS EVERYTHING.
AND IT NEVER FORGETS.





WHAT TO DO?

USE LOCAL AND INTERNATIONAL BEST PRACTICE



INNOVATE!

- Smart phone apps
 - Gamification
 - Information access
 - Reporting
- Online tools / service providers
 - Due diligence, HR services



TAKE A LOOK AT ETHIXBASE 2.0. GET STARTED WITH 100% THIRD PARTY COMPLIANCE TODAY.

EMERGING TECHNOLOGIES HAVE THEIR ROLE TO PLAY





PREPARING THE NEW GENERATION

- ❖ The company's intangible assets have a major role to play in recruitment, retention and development
 - ❖ Brand / good will
 - ❖ Culture
- ❖ Responsibility, with mentoring and safeguards, accelerates maturity
- ❖ Leverage on their strengths
 - ❖ Values-driven, looking for meaning and significance
 - ❖ IT and social media high-performers
 - ❖ High expectations of the workplace



THANK YOU



THE MACC AMENDMENT ACT 2018



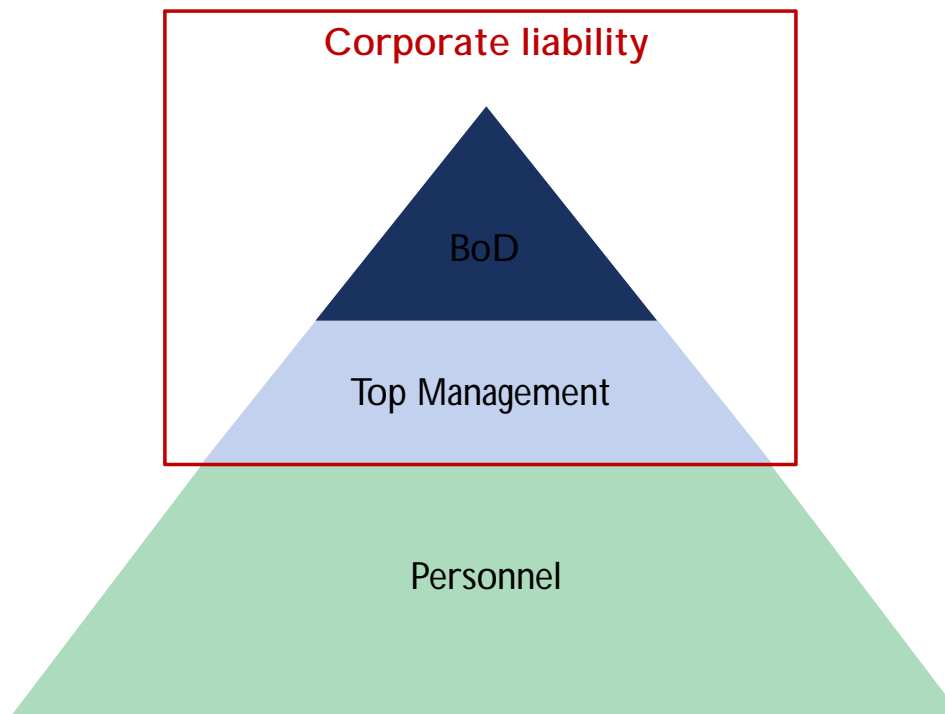
LAWS OF MALAYSIA

Act A1567

MALAYSIAN ANTI-CORRUPTION COMMISSION
(AMENDMENT) ACT 2018

Date of Royal Assent	27 April 2018
Date of publication in the <i>Gazette</i>	4 May 2018

CORPORATE LIABILITY RESPONSIBILITIES



Under the MACC Amendment Act 2018, top management and directors are responsible the actions of the company