

PPSB INTEGRITY KIT

PREPARED BY INTEGRITY & GOVERNANCE UNIT





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PPSB INTEGRITY KIT

1 Purpose

The purpose of this Integrity Kit to demonstrate PPSB commitment towards good governance, integrity, sustainability, promoting transparency and an ethical code of conduct of its operations and business activities.

It is essential for every Personnel of PPSB including consultants, contractors, person or entity engaged under a contract for service or engaged by PPSB for any business-related activity formally and informally should maintain the values of integrity, honesty and professionalism at the highest level at all times during his/her employment/engagement under PPSB or when representing PPSB in business transactions with third parties. This kit will serve as guideline in dealing and business conduct with PPSB.

2 PPSB's Commitment

PPSB is committed to conduct its business ethically and in full compliance will all applicable laws and regulations, including the Malaysia Anti-Corruption Commission Act 2009 that prohibit bribery and corruption activities that may arise in the course of business.

In essence, PPSB is fully committed to:

- Adopting a zero-tolerance approach to any form of corruption.
- Creating human capital with high ethical value and integrity
- Acting in a fair, ethical and honest manner with all our employees and business associates.
- Upholding all applicable laws

PPSB has developed the following policies which applicable to PPSB's employees and business associates: -

- Anti-Bribery and Anti-Corruption Policy and Framework ("ABAC Policy")
- Whistleblower Policy ("WP")
- Gift Procedure ("GP")
- Vendor Integrity Pact Guideline ("VIPG")
- All other relevant PPSB policies, framework, procedures and guidelines



ADHERENCE TO SECTION 17A MALAYSIAN ANTI-CORRUPTION COMMISSIONN ACT 2009 (MACC ACT) – CORPORATE LIABILITY FOR CORRUPTION OFFENCES

What is Section 17A MACC Act?

The new **Section 17A** which was introduced into the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) provides for corporate criminal liability for corruption offences as well as for personal liability of persons involved in the management of a commercial organisation which come into force on 1 June 2020.

Section 17A (1) provides that a commercial organisation commits an offence if a “person associated” with the commercial organization corruptly gives, agrees to give, promises or offers to any person any gratification, whether for the benefit of that person or another person, with intent to obtain or retain business for the commercial organisation, or to obtain or retain an advantage in the conduct of business for the commercial organisation.

Pursuant to **Section 17A (3)** when a commercial organisation is convicted of an offence under section 17A, a director, controller, officer, partner or member of the management of the organisation is deemed to have committed the offence unless that person proves that the offence was committed without his consent or connivance, and that he had exercised due diligence to prevent the commission of the offence, having regard to the nature of his function in that capacity and to the circumstances.

What is Commercial Organisation?

“Commercial organisation” includes companies and partnerships (including limited liability partnerships), whether incorporated or formed in Malaysia or elsewhere, provided that the organisation concerned carries on business, or part of its business, in Malaysia.

Who is “person associated”?

“Person associated” refers to a director, partner, employee or any person who performs services for or on behalf of a commercial organisation.

OFFENCES UNDER MACC ACT 2009 (AMENDMENT 2018)

1

Demand / Receiving
Section 16a / 17a

Imprisonment up to twenty (20) Years and minimum fine of RM10,000 or not less than five (5) times the amount or value of the bribe; whichever is higher.

2

Offer / Giving
Section 16b / 17b

Imprisonment up to twenty (20) Years and minimum fine of RM10,000 or not less than five (5) times the amount or value of the bribe; whichever is higher.

3

False Claim
Section 18

Imprisonment up to twenty (20) Years and minimum fine of RM10,000 or not less than five (5) times the amount or value of the bribe; whichever is higher.

4

Misused of Power
Section 23

Imprisonment up to twenty (20) Years and minimum fine of RM10,000 or not less than five (5) times the amount or value of the bribe; whichever is higher.

5

Corporate Liability
Section 17A

Imprisonment up to twenty (20) Years or minimum fine of RM1,000,000 or not less than ten (10) times the amount or value of the bribe; whichever is higher or BOTH



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Introduction

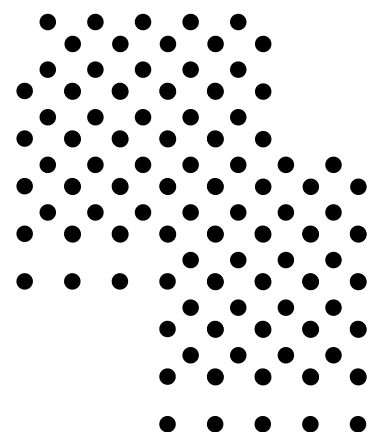
Pursuant to Guidelines on Adequate Procedures issued by the Government, the PPSB ABAC Policy has been designed to provide company with a framework to establish the necessary measures to prevent the occurrence of corrupt practices in relation to our business activities. PPSB encourage the use of the Company whistleblowing channel to raise concern in relation to real or suspected corruption incidents (please refer to PPSB Whistleblowing Policy).

Objective

- Implement an Anti-Bribery and Anti-Corruption management for the Company.
- Determine and provide the resources needed to establish, implement, maintain and ensure continuous improvement of the Anti-Bribery and Anti-Corruption management.
- Enhance the current controls of the Company bribery and corruption risks.
- Eliminate any form of bribery and corruption or prevent the occurrence and potential recurrence of bribery or corruption within the Company.
- Provide a defence against corporate liability as introduced by the MACC (Amendment) Act 2018.

Scope

PPSB ABAC Policy is applicable to every Personnel including consultants, contractors, person or entity engaged under a contract for service or engaged by PPSB for any business-related activity formally and informally.



Policy Statement

PPSB is committed to conduct its business in an honest and ethical manner in full compliance with all applicable laws and regulations. PPSB is committed to act professionally, fairly and with integrity in all our business activities and relationships by implementing and enforcing effective systems to counter bribery.

Every Personnel of PPSB including consultants, contractors, person or entity engaged under a contract for service or engaged by PPSB for any business related activity formally and informally should maintain the values of integrity, honesty and professionalism at the highest level at all times during his/her employment/engagement under PPSB or when representing PPSB in business transactions with third parties.

It is the responsibility of all personnel and business associates to report all incidents or suspected cases of bribery, corruption or any other integrity violations via the established Whistleblowing channel. An Integrity & Governance Unit under the Strategy & Risk Management Department is established with responsibility to oversee the implementation of the Policy, with direct access to the Governing Body and Management on issues concerning bribery and corruption.

Any person who commits an act of bribery or corruption, knows or fails to report an act of giving and offering of bribes or any other acts of corruption is liable to misconduct under this Policy and risks committing an offence under the MACC Act 2009 and the MACC (Amendment) Act 2018. If the person is convicted under the Act, the person shall be liable to a fine or imprisonment or both as stipulated under the Act.

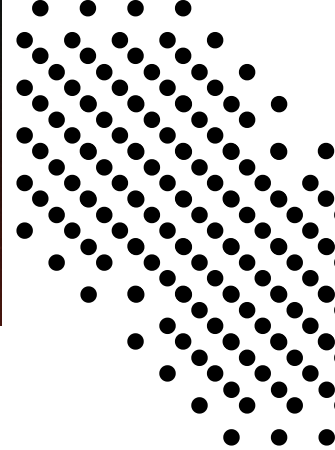


TYPE OF BRIBERY AND CORRUPTION

The Malaysian Anti-Corruption Commission (“MACC”) defined corruption as the act of giving or receiving any “gratification” or reward in the form of cash or in-kind value for performing a task in relation to his/her job description.

Gratification is defined as:

- 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 or value;
- Any office, dignity, employment, contract of employment or services and agreement to give employment or render services in any capacity;
- Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- Any forbearance to demand any money or money’s worth or valuable thing;
- Any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceeding of a disciplinary, civil or criminal nature, whether or not already insinuated, and including the exercise or the forbearance from the exercise of any right or any official power of duty; and
- Any offer, undertaking or promise, whether conditional or unconditional, of any Gratification within the meaning of any of the preceding paragraphs (i) to (vi).



Bribery and corruption may be in a variety of forms, amongst others are conflict of interest, political contributions, facilitation payments, money laundering, and abuse of power but not limited to the following:

No.	Act of Corruption	Description
1	Bribery	Bribery is the most common form of corruption. It is described as the act of offering, promising, giving, accepting or soliciting of an undue advantage of any value ((which could be financially or non-financially)), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person duties.
2	Abuse of Function	The abuse of function or position is the performance of or failure to perform an act by Personnel, in violation of the law, with a view to obtain an undue advantage for himself/herself or for another person or entity.
3	Favouritism and Nepotism	Favouritism, nepotism and clientelism involve abuses of discretion. Such abuses can either involve a direct personal benefit or does not involve a direct personal benefit to the Personnel. Such abuses happen when a person or an organization is selected, regardless of qualifications, merit, or entitlement, for a job or benefit because of affiliations or connections.
4	Improper Political Contribution	Donations made with the intention or expectation that the party will, once in office, unduly favour the interests of the donor, is tantamount to the payment of a bribe.



No.	Act of Corruption	Description
5	Facilitation payments	These are typically payments made to secure or expedite the performance of a routine or necessary action to which the payer is entitled, legally or otherwise.
6	Charitable donations, sponsorship, travel, and promotional expenses	These are legitimate activities for entities but can be abused as a subterfuge for bribery. There are risks attached to such transactions where it may be perceived that an advantage has been given to obtain or retain business.
7	Conflict of interest	A conflict of interest occurs where a person or entity with a duty to the enterprise has a conflicting interest, duty, or commitment. Having a conflict of interest is not in itself a corruption, but corruption can arise where a Personnel the duty due to the enterprise by acting in favour to a separate interest to the detriment of the enterprise.

GIFT PROCEDURE

PPSB is committed in conducting its our business in the highest standard of integrity and good governance.

All personnel of PPSB shall not solicit or accept any benefit , reward or gift of any kind, intended to create an improper advantage or that which may create the appearance of impropriety, either directly or indirectly from third parties or from any other individuals within the Company.

All personnel shall not offer, give or promise any benefit, reward or gift of any kind, intended to create an improper advantage or that which may create the appearance of impropriety, either directly or indirectly to any employee or agent of any organization that has business dealings with the company.

The prohibition shall include but not limited to:

- Sponsorship in any form of any of the internal programs, activities, and affairs of the Company, such as "Jamuan Hari Raya", anniversary, commemorations, sport events, internal association events and other similar events
- Advertisement in the publications of the Company;
- Discount, rebates, waivers and other forms of monetary incentives or benefits given to the members of the Board of Directors, officers and employees of the Company, in avoiding of the services and/or facilities of persons or entities under the jurisdiction of the Company not generally available and offered equally to the public.
- Gifts which would be illegal or in violation of law;
- Gifts which is part of an attempt or agreement to do anything in return;
- Gift which is being made to influence the member of the Board's, Executive, employee actionas such; and
- Gift which could create the appearance of a conflict of interest.

Permissible Gift



- **Exchange of gifts** at the company-to-company level as part of an **official company visit/courtesy call** and thereafter the said gifts are treated as company property;
- Gifts from the Company to an external institutions or individuals in relation to the company's official functions, events and celebrations (**festive gifts, commemorative gifts or door gifts** offered to all guests attending the event);
- Gifts from the Company to **employees and directors and/or their family members in relation** to internally or externally recognized Company function, event and celebration (recognition of service to the Company);
- **Gifts or tokens** bearing the Company's logo given or event name (**t-shirt, pen, diary, calendar and other promotional items**) that are provided to delegates, partners, customers, stakeholders for attending conference, exhibition, training or events. This is applicable to either receiving gift from or providing gift to external parties;
- **Gifts either monetary or gifts** in-kind to third parties who have no business interests or dealings with the Company (**Corporate Social Responsibility ("CSR")** programme, motivational/educational/religious talks);
- **Gifts to VVIP** (King/Sultans/Governor/Prime Minister/Ministers);
- Gifts during **festive season** (Ramadhan, Hari Raya, Chinese New Year, Deepavali, etc) and must be reasonable in terms of value and appropriate under circumstances;
- **Complimentary invitation** by regulators or business associates for **conferences, seminars, and training** as part of Company system improvisation or to support daily business/operation activities;
- **Meal or entertainment** that serve as legitimate business interest or are infrequent, normal and social courtesies and must be reasonable in term of value.

***the above list may not be exhaustive and subject to the term and condition*

Non-Permissible Gift



- **Cash or cash equivalent** (cheque, money orders, stocks, shares, saving bonds and cash vouchers);
- **Loans, fees, rewards, valuable security, use of property or interests in property** being property of any description whether movable or immovable use of vehicle, financial benefits or any other benefits similar in advantage;
- Any **travel-related expenses or accommodation** paid by customer, contractors, vendors, consultants or its agent associated with non-business visitation, meetings or events except as stated in any contract;
- Any **paid holidays** which include transportation, accommodation and holiday package;
- Any **individual apparel** which includes jewellery, watch, bags, shoes, clothing etc;
- Any **type of electronic** items or IT gadgets which includes laptops, computer, smartphone etc;
- Any **non-business-related gift for the purpose of birthday celebration, wedding celebration, retirement or farewell using Company's fund**;
- Any **complimentary ticket** related to hospitality outing (e.g. concert ticket, musical ticket, F1 ticket etc.);
- Any type of **entertainment expenses or sport activities** which are paid by customers, contractors, consultants, vendors or business partners (e.g. karaoke, spa treatment, golf, fishing etc);
- Any **offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding points mentioned above** especially from the customers, contractors, vendors, consultant and business associates be it past, existing or not in our list of panels.

The salient **DOs** and **DON'Ts** under the Gift Procedure are as follows:

Do's

- All acceptances of permissible gifts must first be declared and it must not be used until and unless approval is obtained accordingly; (Refer Gift Procedure on types of permissible gifts).
- Employees may accept permissible gifts subject to approval of Head of Department/Division
- The Gift Acceptance Declaration Form must be completed within three (3) days from the date of receipt such gifts and submit to IGU.
- Should there be a request for bribe or receives bribe offer, report must be made to your immediate supervisor or to the Whistleblowing channel through the reporting channels.

Don'ts

- Give or accept cash or cash equivalents as a gift;
- Give or accept excessive or lavish gifts, meals, entertainment and hospitality;
- No gifts may be given or accepted to influence any decision and/or action in order to retain business, expectation of specific favour or improper advantages;



Policy Statement

This Whistleblower Policy (WP) is the important aspect of accountability and transparency is a mechanism to enable staff and other members of the company to voice genuine concerns in a responsible and appropriate manner. PPSB is committed to promoting and maintaining high standards of transparency, accountability, ethics and integrity at the workplace.

Objective of the Policy

- To provide employees and third parties with proper internal procedures in disclosing cases of Improper Conduct;
- To manage disclosures of Improper Conduct in an appropriate and timely manner;
- To provide protection to Whistleblowers from Detrimental Action that may result from the disclosure of Improper Conduct;
- To provide fair treatment to both the Whistleblower and the alleged wrongdoer when a disclosure of Improper Conduct is made;
- To set out the processes to manage the overall system and implementation of the Whistleblowing Policy.

Applicability of the Policy

This Policy applies to Company's directors and employees, including employees on contract terms, temporary or short-term employees, employees on secondment, interns or any external party who has the knowledge of or genuinely suspects, on a reasonable belief, that a director or an employee of the Company has engaged, is engaged or is preparing to engage in any Improper Conduct.

Confidentiality and Protection to Whistleblower

All concerns and disclosure made through this channel will be treated in utmost confidence. Company will take all necessary measures to ensure that the identity and personal information of the WB shall be protected at all time and kept confidential. Upon making the disclosure in good faith, the WB will be protected from any reprisal and/or detrimental action within the Company as a direct consequence of his or her disclosure.

Reporting Channels

Disclosure / report can be made to any of the following dedicated reporting channels: -

- Secured email address **ppsbwbreport@gmail.com**
- Secured hotline number 04-3752519
- Writing to the **Head Internal Audit** via a sealed envelope marked 'Confidential'
Penang Port Sdn Bhd
Level 5, 5130 Terminal Penang Sentral
Jalan Bagan Dalam, 12100 Butterworth
Penang
- **Chairman of Audit Committee** via a sealed envelope marked 'Confidential'
Meridian Solution Sdn Bhd
Apartment No 15-B3 UBN Apartments 1
Lorong P Ramlee 50250 Kuala Lumpur

Timeframe

Internal Audit Department (IAD) shall endeavour to complete the whistleblowing process within 60 days from the date the allegation was received, with conducting preliminary examination and thorough investigation upon disclosure.

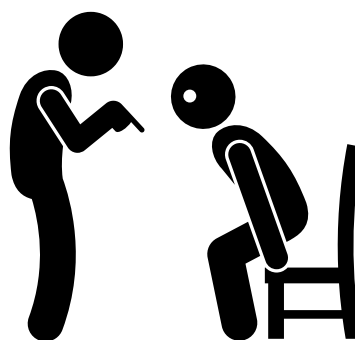
VENDOR INTEGRITY PACT GUIDELINE

Why you need to follow

- i. To prevent Company employee(s), the Vendors and/or any other parties involves in the procurement activities from accepting and/or offering bribe
- ii. To create procurement practices which support fair competition, wide participation and good governance and protect both company and vendor interest
- iii. To create awareness among the Company Employees and the Vendors on anti-bribery and anti-corruption and subsequently eradicate practices at PPSB and PPSB Group of Companies.
- iv. To avoid occurrence of conflict of interest

Vendor to sign relevant Integrity Pact document:

- i. Upon appointment as PPSB registered vendor
- ii. Upon renewal as PPSB registered vendor
- iii. During submission of quotation
- iv. During submission of tender document



ACKNOWLEDGEMENT ON INTEGRITY KIT

I/We hereby acknowledge receipt and declare that I/we have read and hereby undertake to comply with the requirements set out in PPSB's Integrity Kit

Signed and confirmed by Authorized Signatory of the Company

Signature	
Name	
Designation/ Company*	
Date	

**Other than PPSB staff, please state your company name.*