

PENGURUSAN ASET AIR BERHAD



INTEGRITY KIT

For PAAB's Business Associates



Pengurusan Aset Air

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PENGURUSAN ASET AIR

Associated Persons	Director, controller, officer, partner, employee of PAAB or persons who perform services for or on behalf of PAAB but not limited to consultant, contractor, suppliers, vendors and service providers. Under Malaysian Anti-Corruption Commission (Amendment) Act 2018, Section 17A(6) - a person is associated with a commercial organization if he is a director, partner or an employee of the commercial organization or he is a person who performs services for or on behalf of the commercial organization.
Bribery	Offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.
Confidential Information	Information entrusted to an individual in confidence, where there is a general obligation not to disclose that information without the consent of the individual.
Conflict of Interest	Situation where an individual or the entity for which they work, is confronted with choosing between the duties and demands of their position and their own private interests. Conflict of interest arises when person own interest may influence their decision making.
Corruption	Act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description. An example, a contractor rewards a gift in the form of an expensive watch to a government official for awarding a project to the company belonging to the contractor.
Gift	A gift is something given voluntarily, without the expectation of anything in return. A gift can be in a form of cash, an asset, entertainment, goods or services, including anything that can be of value to the person receiving it. A gift can be perceived as bribes when giver and receiver have official dealings; when gift may influence the decision to be made by receiver; and when the value of the gift not commensurate the meaning of gift given.
Whistleblower	Employees or any other person who make disclosure or reveal information in good faith with reasonable grounds to believe that the information disclosed to be evidence of contravention of any misconduct or improper activity concerning PAAB.
Whistleblowing	The disclosure or revelation of information that one reasonably believes to be evidence of contravention of any laws or regulations or information that involves wrongdoings committed by employees of the company.

The purpose of this Integrity Kit is to demonstrate Pengurusan Aset Air Berhad (PAAB) towards good governance, integrity, sustainability, promoting transparency and an ethical code of conduct of its operations and business activities. It is essential for PAAB's business associates to **read, understand and comply with the requirement set forth in this PAAB Integrity Kit.** This Integrity Kit will serve as guideline in dealing and business conduct with PAAB.

The Kit has been designed to help spread the values of transparency, integrity and anti-corruption. The Kit is not intended to provide definitive answers to all questions regarding bribery and corruption, rather, it is intended to provide business associates with a basic introduction to how PAAB combats bribery and corruption in furtherance of the organisation's commitment to lawful and ethical behaviour at all time.

If you have any doubt about the scope of applicable laws or the application of PAAB's policies and procedure concerning the fight against bribery and corruption, you should contact relevant person or Department in PAAB immediately.

Bribery or corrupt practises can have serious consequences for you and PAAB. You could face dismissal, fines, and imprisonment, while the company could face reputational damage, financial loss, disbarment from doing business and other negative consequences.

This Kit is applicable to all business associates at PAAB and is available on PAAB's official website www.paab.my

"ASK WHEN IN DOUBT"

PAAB's Commitment

PAAB values are the foundation for maintaining professional behaviour and performance. As part of our commitment towards maintaining ethical business practices, PAAB will not tolerate any acts of bribery and corruption. We expect our business associates / third parties to share the same commitment and to uphold our values and high ethical standards. The prevention, detection and reporting of bribery and other forms of corruption is the responsibility of all those working for us, those supplying services to us and those under our control.

PAAB Anti-Bribery and Corruption initiatives such as PAAB Anti-Corruption Plan (PAAB ACP) is also demonstrating PAAB's commitment in upholding Malaysia's vision towards a corrupt-free nation as stipulated under National Anti-Corruption Plan (NACP). PAAB is committed to fight against corruption, increase transparency and curb illicit financial flows.



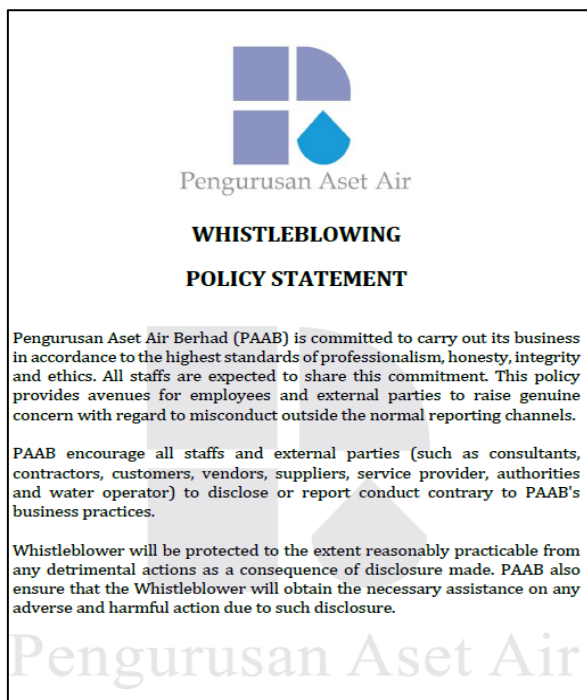
In accordance with established requirements under Malaysian Anti-Corruption Commission (MACC) Act 2009 (Act 694), Section 17A – Offence by Commercial Organisation (Corporate Liability), PAAB has taken an important step by establishing policies related to anti-corruption. PAAB holds zero-tolerance approach against all forms of bribery and corruption. PAAB's employees and business associates are not permitted to give or offer anything of value including gifts, entertainment or hospitality to anyone for the purpose of improperly obtaining or retaining a business or personal advantage except otherwise governed by the policies.

PAAB provide full commitment to act professionally, fairly and with integrity in all its business dealing and expects its employees and business associates to observe the same. Hence, should you have any knowledge or have reasonable belief on the existence of an attempted, suspected or actual bribery and reason to suspect any violation of the policies and related laws, you are expected to report it in good faith via PAAB Whistleblowing channels.

4 PAAB's Policies

PAAB is committed in conducting its business in an open, honest, ethical and high moral standards. All PAAB's policies related to anti-corruption emphasizes and advances the principles of discipline, good conduct, integrity and professionalism as part of PAAB corporate image apart from ensuring sustainability of PAAB's success and well-being.

These policies are aligned with all relevant laws and regulations, including the National Anti-Corruption Plan (NACP) and Malaysian Anti-Corruption Commission (MACC) Act 2009, particularly Section 17A of MACC (Amendment) Act 2018:



Policy for Whistleblowing
Policy Approved on 16 March 2021 by BOD



Policy for Gift, Entertainment & Hospitality
Policy Approved on 16 March 2021 by BOD



ANTI-BRIBERY AND CORRUPTION

POLICY STATEMENT

As an organization dedicated to bringing about reforms in the water industry, Pengurusan Aset Air Berhad [PAAB] reiterates its commitment to achieving zero-tolerance against bribery and corruption. Towards this end, PAAB will ensure that all its business and operations adhere to high ethical standards, integrity and transparency.

PAAB seeks the same level of responsibility and adherence from third parties (contractors, consultants, vendors and others) who not only work for or on behalf of the organization but also who engage with PAAB.

PAAB prohibits all forms of bribery and corruption. Employees and associated persons must not participate in any corrupt practices such as bribery, extortion, collusion, breach of trust, abuse, embezzlement, false claim, fraud, leakage of information and money laundering.

In a situation where any employee or associated person encounters such corrupt practices in the course of their work or duty, the refusal to participate or engage in any corrupt practices will not result in any penalization, even if the refusal has a negative impact on PAAB's business.

PAAB has provided an avenue for all employees and associated persons to report any corrupt practice within the organization via PAAB's designated whistleblowing channel.

This statement serves as a reminder that any breach of this policy may result in disciplinary action that may include termination of employment or business relationship.



CODE OF CONDUCT AND BUSINESS ETHICS (COBE)

POLICY STATEMENT

Pengurusan Aset Air Berhad [PAAB] is an organization dedicated to bringing about reforms in the water industry. This Code of Conduct and Business Ethics [COBE] articulates the values, principles and standards of professional conduct as part of PAAB's corporate image towards achieving its mission successfully.

The main principles outlined in this COBE are honesty, accountability, synergetic collaboration, moderation and fair treatment.

We are committed to ensuring that all our business activities and operations are conducted in tandem with these principles and the following guidelines –

- avoiding conflict of interests;
- combatting corruption and unethical practices;
- managing risk in third party interaction; and
- maintaining information security.

Policy for Anti-Bribery & Corruption
Policy Approved on 27 August 2021 by BOD

Code of Conduct & Business Ethics
Policy Approved on 27 August 2021 by BOD

5 Who is Covered?

All policies are applied to:

- Board of Directors (BODs).
- Top Management.
- All PAAB employees regardless of their employment status.
- Associated person who have official business relationship with PAAB.

Associated person

- Associated person are required to strictly adhere to all policies in this Integrity Kit where it is relevant to their relationship, services and/or products provided to PAAB.



What is Section 17A MACC Act?

The implementation of the corporate liability provision involving commercial organisations under Section 17A MACC Act 2009 is enforced on 1st June 2020. Section 17A was enacted to enable organisations involved in corrupt activities to be subjected to legal action and persons associated with the organisations will be deemed to commit the corresponding offence unless it can be proven that adequate measures have been put in place.

Section 17A Offence by Commercial Organisation:

1. A commercial organisation commits an offence if a person associated with the commercial organisation 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:
 - a. To obtain or retain business for the commercial organisation; or
 - b. To obtain or retain an advantage in the conduct of business for the commercial organisation.
2. Any commercial organisation who commits an offence under this section shall on conviction be liable to a fine of not less than **ten (10) times** the sum or value of the gratification which is the subject matter of the offences, where such gratification is capable of being valued or is of pecuniary nature, or **one million ringgit**, whichever is the higher, or to imprisonment for a term not exceeding **twenty (20) years** or to both.



"Commercial organisation"



- company incorporated under the Companies Act 2016
- partnership
- company wherever incorporated and carries on business in Malaysia

2

..the **commercial organisation** commits an offence.



3

The commercial organisation, unless proven otherwise, will be deemed to have committed that offence and shall be liable to...

10x

or



or



or both

fine of not less than 10 times the sum/value of gratification

one million ringgit fine (RM1,000,000) (whichever is higher)

imprisonment for a term not exceeding 20 years

4



The commercial organisation's directors, partners, or management, will be deemed to have committed the same offence, **unless proven that it was committed without their consent and that due diligence to prevent the commission of the offence was exercised.**



Who is "associated person"?

"Associated person" refers to a director, partners and employees of the commercial organisation; and any person who performs services for or on behalf of the commercial organisation.

Introduction

PAAB Policy for Whistleblowing portrays PAAB's commitments to ensure that employees and external parties are able to raise concerns regarding any misconduct or malpractice without fear of detrimental actions by protecting persons making genuine disclosure. This policy ensures that every person is able to exercise their right to make disclosures responsibly and appropriately once they suspect that misconduct has been committed, or is on-going or will be committed.

Objectives / Purposes

The policy's main objectives are:

- i) To enhance corporate governance by facilitating and encouraging disclosure of any misconduct within PAAB.
- ii) To provide assurance and protection to persons who disclose or report allegations of any misconduct in good faith from any detrimental action.
- iii) To ensure both whistleblower and the alleged wrongdoer are treated fairly regardless of its position, length of service or status.
- iv) To ensure disclosure of misconduct is managed adequately and in timely manner.
- v) To address that PAAB is committed towards achieving the highest ethical standards in all of its practices as well as to ensure transparency, integrity and accountability.
- vi) To initiate and promote awareness and proactive practice to discourage fraud and other abuses by employees.

What can be reported?

A qualified disclosure may be made if it relates to one or more of the following wrongdoings by any employees or associated person in the conduct of PAAB's business or affairs that is being, has been, or is likely to be committed:



01

BRIBERY OR CORRUPTION

02

BID RIGGING

03

FRAUD

04

ABUSE OF POWER OR AUTHORITY
FOR PERSONAL GAIN

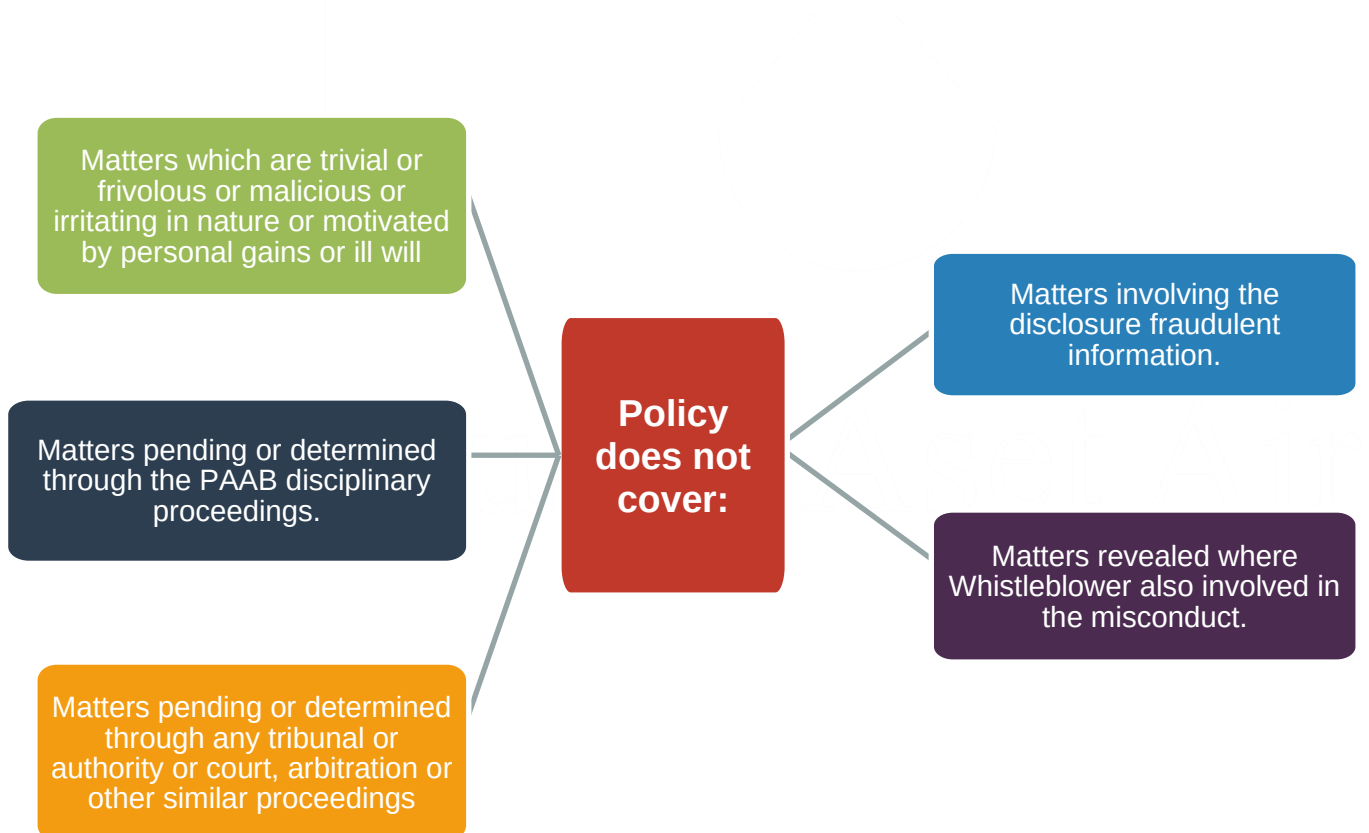
05

NON-COMPLIANCE TO LAW AND
REGULATION

06

CONFLICT OF INTEREST

07	THEFT AND EMBEZZLEMENT	08	MISUSE OF CONFIDENTIAL INFORMATION
09	FINANCIAL MALPRACTICE	10	PROCUREMENT FRAUDS OR SUSPICIOUS DEALINGS
11	MISAPPROPRIATE USE OF THE PAAB FUNDS AND ASSETS	12	FORGERY OR ALTERATION OF ANY DOCUMENT OR DOCUMENT WITHIN PAAB
13	CRIMINAL OFFENCE	14	ACTS THAT POSES DANGER OR DAMAGE TO HEALTH, SAFETY AND ENVIRONMENT
15	PROFITEERING AS A RESULT OF INSIDER KNOWLEDGE	16	VIOLATION OF HUMAN RIGHTS
17	DISCLOSING CONFIDENTIAL AND PROPRIETARY INFORMATION TO OUTSIDE PARTIES	18	DESTRUCTION, REMOVAL OR INAPPROPRIATE USE OF RECORDS, ASSETS AND EQUIPMENT
19	BREACH OR ANY MISCONDUCT AS STATED IN ANY OF PAAB'S ESTABLISHED POLICIES AND PROCEDURES	20	CONCEALMENT OF ANY OF THE ABOVE



Confidentiality and Privacy



PAAB is committed to protecting the privacy of the persons involved to the fullest extent possible and in accordance with applicable laws and regulations. PAAB shall take all necessary measures to ensure that the **identity and personal information of Whistleblower (WB)** shall be protected at all time and kept confidential. Upon making the disclosure in good faith, WB will be protected from any reprisal and/or detrimental action as a direct consequence of his or her disclosure. Whistleblower that requires full protection and immunity against civil and criminal liability shall be referred to the Law Enforcement Agency (i.e MACC, PDRM) concerned and will be given all protection under Section 7, Whistleblower Protection Act 2010.

PAAB Whistleblowing Channel



Pengurusan Aset Air

WHISTLEBLOWING CHANNEL



Email
IGU@paab.my

Letter (*sealed and marked P&C*)
Integrity and Governance Department
Pengurusan Aset Air Berhad,
Level 19, Menara Felda, Platinum Park
No.11 Persiaran KLCC
50088 Kuala Lumpur

Whistleblower Disclosure Form
Manual / E-Form on PAAB's website

Telephone
03-26145581 / 5521 (IGD)
Office hours only

In person
HIGD or IGO at mutually agreed venue

1

2

3

4

5

Break the silence, speak up

Policy for Gift, Entertainment & Hospitality

Introduction

PAAB recognizes the importance of integrity in every aspect of our business. Integrity is the foundation for the success and sustainability of the company. PAAB believes that high ethical conduct and transparency is crucial in avoiding any negative perception when it comes to accepting or giving of gifts, entertainment and hospitality. PAAB can raise defence against Corporate Liability by having Adequate Procedure. The establishment of this policy is in line with requirements made under MACC's Act and Adequate Procedure.

Objectives / Purposes

The policy's main objectives are:

- i) To enhance corporate governance by providing guidance in recognizing and dealing with different forms of gifts, entertainment and hospitality which may lead to corruption.
- ii) To avoid negative perception and protect business by avoiding any conflict of interest.
- iii) To encourage transparency during business dealings.
- iv) To ensure business is operating in an environment free from corruption.

Business gifts and entertainment (for example prizes, tickets, meals etc.) of reasonable value are commonly used as a mark of friendship, goodwill and to strengthen working relationships among business partners. In some cases, providing or accepting occasional meals, small company mementos and tickets to sporting and cultural events may be appropriate in certain circumstances. However, if offers of gift, entertainment and hospitality are frequent or of substantial value, they may create the appearance of, or an actual, conflict of interest or illicit payment (including a bribe).

What you need to know?

- PAAB **PROHIBITS** the offering and providing of gift, entertainment and hospitality as in following situation:
 - Improper influence any party in exchange for future benefits.
 - Affecting business judgement.
 - Lavish, excessive or extraordinary in nature.
 - Negative perception.
 - To obtain special treatment.
 - Free or partially sponsored holiday.
 - Demand or offer as favour from or to business partner.
 - Providing or receiving money to or from the invitees for entertainment or travel arrangement.
 - Conflict of interest.
 - Stand-alone basis and not link to any legitimate business meeting, conference, event and etc.
- Gifts of symbolic value, such as promotional items (pen, diaries, calendar) that are inscribed in recognition of a business relationship or with the logo or crest can be accepted.

Permissible Gifts

- Gift exchange at company level as part of official visit and shall be treated as company asset.
- Gifts offered from company to external bodies and or its representative during official functions, events and celebrations. (Commemorative gifts or door gifts offered to all guest attending the event).
- Ceremonial gifts. The gift shall belong to the company.
- Gifts from PAAB to directors and employees or their family members in relation to company function, events and celebration (example recognition of employee's service).
- Gifts of nominal value, bearing company logo that are given equally and deemed as part of corporate branding or promotional activities at events such as conferences, training, seminar and exhibition (example pen, diaries and calendar).
- Gift to external parties who has no business dealings with PAAB such as Corporate Social Responsibility.
- Allowable under CCD Procedure on corporate gift or HRAD policies and procedures without disregarding the laws and regulation or ignoring the risk of corruption. Approval is required in accordance to PAAB's procedure.
- In connection with a customary business or cultural occasion.

Pengurusan Aset Air

General Rule

Third Party

Provide / offer / request
for gifts



Associated Person /
Employee

Politely declines



DO'S

- Read and understand PAAB Policy for Gift, Entertainment and Hospitality (GEH).
- Gift exchange at company level as part of official visit shall be treated as company asset.
- Always be sensitive to recipient own rules on gifting.
- Ensure they are reasonable and appropriate under circumstance and comply with PAAB GEH Policy.



DON'TS

- Give or accept cash or cash equivalents as a gift.
- Give or accept excessive or lavish gifts, entertainment and hospitality.
- Provide entertainment at a venue that create reputational concern such as spa, gambling, etc.
- Promise or offer to provide gift, entertainment and hospitality with a view to improperly cause under influence.
- Gift to third parties on behalf of PAAB with intention to obtain or retain business.

Introduction

Anti-Bribery and Corruption (ABC) Policy addresses PAAB's commitment towards good governance, integrity, promoting transparency, ethical code of conduct and business ethics of its operations and business activities. This policy sets out PAAB's zero-tolerance approach against all forms of bribery, corruption and any other non-regulatory compliance related risks.

Objectives / Purposes

The policy's main objectives are:

- i) To provide guidance to PAAB's employee and associated person in prevention and dealing with bribery and corruption.
- ii) To implement good governance as protection against bribery and corruption.
- iii) To ensure business is operating in environment free from bribery and corruption.
- iv) To control bribery and corruption risks.
- v) To ensure compliance to laws and regulations related to anti-bribery and corruption.
- vi) To provide a defence against Corporate Liability.
- vii) To promote clean image.

Important Notice

As an organization dedicated to bringing about reforms in the water industry, Pengurusan Aset Air Berhad [PAAB] reiterates its commitment **to achieving zero-tolerance against bribery and corruption**. Towards this end, PAAB will ensure that all its business and operations adhere to high ethical standards, integrity and transparency. PAAB **prohibits all forms of bribery and corruption**. Employees and associated persons must not participate in any corrupt practices such as bribery, extortion, collusion, breach of trust, abuse, embezzlement, false claim, fraud, leakage of confidential information, facilitation payment and money laundering.



Introduction

This Code of Conduct and Business Ethics (COBE) emphasizes and advances the principles of discipline, good conduct, integrity and professionalism as part of PAAB corporate image apart from ensuring PAAB's success and well-being. The existence of this COBE is to provide an understanding of daily work standards, expectation and how to deal with matters related to integrity as well as corruption.

Objectives / Purposes

The objectives and purpose of this Code of Conduct and Business Ethics (COBE) are:

- i) To ensure PAAB's business is conducted in compliance with all applicable laws, regulations, policies and procedures.
- ii) Sustain the highest level of integrity, personality and professionalism.
- iii) Eradicate unethical behaviour by instilling culture of integrity.
- iv) Promote accountability for excellent business performance in economic, social and environmental aspects, in line with PAAB's vision and mission.
- v) Communicates PAAB values and principles that needs to be practices without compromised during the course of duties and business operation.

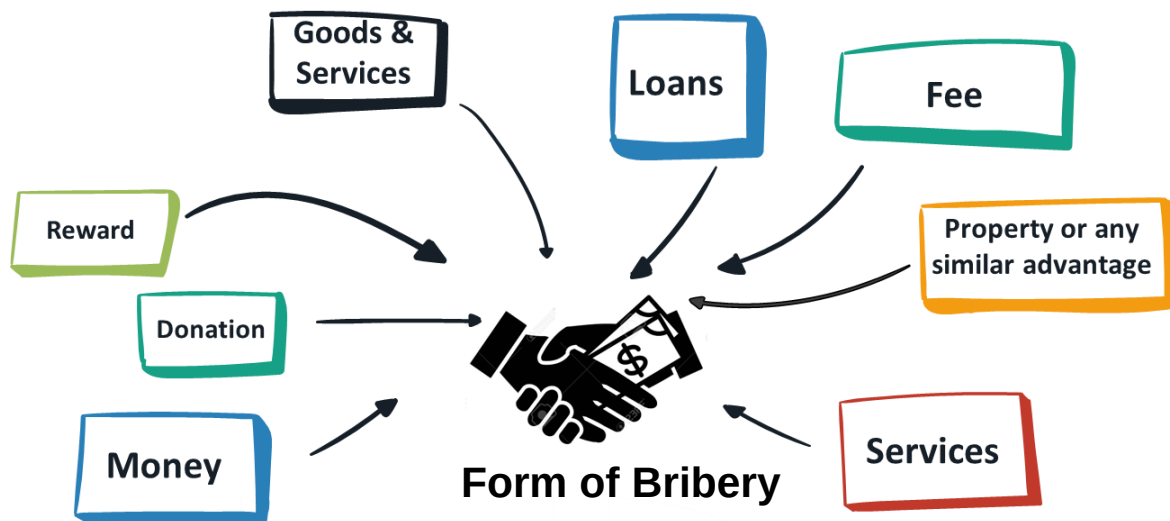
Elements under COBE

We are committed to ensuring that all our business activities and operations are conducted in tandem with these principles and the following guidelines:

- avoiding conflict of interests;
- combatting corruption and unethical practices;
- managing risk in third party interaction; and
- maintaining information security.



Bribe or gratification can be in various form of compensation or any object for favour given or promised as defined under Section 3 of MACC Act 2009



Any person acting on behalf of PAAB are **NOT PERMITTED** to give or offer any bribe or gratification to any party as an incentive or reward under any circumstances

01

Give or receive any form of gratification including agreeing to accept or attempting to obtain, from any party for themselves or for any other party

02

Giving or receiving gifts, entertainment or corporate hospitality in violation of the Policy for Gift, Entertainment and Hospitality or any applicable anti-corruption laws

03

Falsifying claim either directly or through a third party, with the intent to deceive or mislead.

If any employees or associate persons receive a request for a bribe or an offer for a bribe, it must be reported to Integrity & Governance Department via Whistleblowing channel or directly reported to MACC.



Facilitation Payment

- Facilitation payment are usually payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.
- The payment meant to smooth the process of service that the payer is legally entitled. Facilitation payments need not involve cash or other financial asset; it can be any sort of gratification or advantage with the intention to influence them in their duties.



- ✓ **PAAB strictly prohibits facilitation payment in its business operation under any circumstances.**
- ✓ **PAAB's employees and associated persons are required to decline and report any request or payment for facilitation payment**

Pengumuman Asesmen

1 Is the giving of a hamper of small value perceived as a Bribe?

Accepting or giving of gifts of any amount or value amounts may be perceived as a form of corruption offence in the situation when there is official dealing and likely to influence business decision.

2 Can I as contractor provide pocket money (in cash) for PAAB staff during FAT?

No. Contractor shall only provide travelling arrangements (flight ticket, accommodation, food and beverage) as stated in contract (part of development cost). For PAAB staff, they can utilize their entitlement for subsistence allowance as per PAAB policy and procedure.

3 Can external parties lodge a report to PAAB Whistleblowing channel?

Yes. External parties may submit a report through PAAB WB channel. Any persons who are aware or suspects that any misconduct has been committed, or is on-going or will be committed, are deemed responsible to report the misconduct through any of the PAAB whistleblowing reporting channels.

4 What protections are there for the person making the report?

First of all, this person's identity shall be kept strictly confidential from any person who might be the subject of the report and from any unauthorized party. To this end, the necessary actions and initiatives must be taken against anyone who retaliates (or who threatens to retaliate) against a person making a report. It would be appropriate to emphasize the importance of the principle of protecting the person who made the report within the context of the company's Policy for Whistleblowing, where it exists.

5

I do have knowledge on bribery transaction. Can I choose to stay quiet?

You must not hide any information on bribery transaction. You are obligated to report as per MACC Act Section 25 (Duty to report bribery transaction). You may face legal action if you don't report.

6

What type of evidence can be used to support the complaint / disclosure?

Evidence can be in any forms such as document, WhatsApp conversation, email and etc. However, whistleblower are not obligated to provide evidence; however, a good evidence may facilitate investigation process.

7

Can I offer a government official money/holiday package so that the company that I represent gets the license/approval from the local authority?

You cannot as such money/holiday package can be categorised as facilitation payments. PAAB strictly prohibits such act.

8

Can I offer an ang pow / 'duit kopi' to PAAB staff at any time?

No. This may be considered as a form of gratification / bribe. You should not exercise any preferential treatment towards anyone including PAAB staff.

9

Can I offer to sponsor PAAB staff related event in a form of lucky draw during family day or annual dinner?

No. Such act may be perceived as attempt to influence business decision or advantage. PAAB shall use our own budget to fund PAAB activities.

Integrity Kit Acknowledgement

I hereby acknowledge that I have read, considered and fully understand about the contents, requirements and expectations of PAAB's Integrity Kit. I understand and agree that it is my responsibility to read and familiarize myself with all of the provisions of PAAB's Integrity Kit. I also understand that if I have questions, at any time regarding this Kit, I am able to consult with PAAB personnel.

Since the information, rules and benefits described here are necessarily subject to change, I acknowledge that PAAB reserves the rights to amend, modify, rescind, delete, supplement or add to the provisions of this Kit as it deems appropriate from time to time in its sole and absolute discretion.

I hereby declare that I shall comply, and agree to continue to comply with PAAB's Integrity Kit. I understand that if I fail to comply with any part of the Kit, I shall be liable / exposed to legal action under the circumstances and violations to this Kit may also constitute violations of the law and may result in civil or criminal proceeding and penalties.

Signature :

Name :

Designation :

Date :

Company Stamp :