

PEMBANGUNAN SUMBER MANUSIA BERHAD
(Company No. 545143-D)

**EXTRACT OF MINUTES OF THE BOARD OF DIRECTORS' MEETING NO.
4/2019 HELD ON 3rd SEPTEMBER 2019**

AGENDA 6 – Proposal to Approve Anti-Bribery and Corruption Policy.

RESOLVED:-

The Board hereby approved the Anti –Bribery and Corruption Policy as per Appendix I attached herein.

CERTIFIED TRUE COPY



ELANJELIAN A/L VENUGOPAL
Chief Executive
Pembangunan Sumber Manusia Berhad



MERLE FERNANDEZ
Company Secretary
LS 0008846

Dated this 12th September 2019



**PEMBANGUNAN SUMBER MANUSIA BERHAD
(545143-D)**

MEETING NO : 4/2019

DATE : 3 SEPTEMBER 2019

AGENDA : 6

**TYPE : APPROVAL
RATIFICATION
DIRECTION
INFORMATION**

X

**TITLE : PROPOSAL TO APPROVE ANTI-BRIBERY AND CORRUPTION
POLICY**



PEMBANGUNAN SUMBER MANUSIA BERHAD

GOVERNANCE AND COMPLIANCE

ANTI-BRIBERY AND CORRUPTION POLICY

[DOCUMENT NO.]

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1. INTRODUCTION

Pembangunan Sumber Manusia Berhad (PSMB) has adopted a zero tolerance policy against all forms of bribery and corruption. The PSMB Code of Conduct and Business Ethics (CoBE) sets out PSMB's core principles in this regard. The PSMB Anti-Bribery and Corruption Policy (hereinafter referred to as the "ABC Policy") elaborate upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. It is also intended to apply to every director (executive and non-executive) except as otherwise stated in this ABC Policy. HRDF also expects that contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of PSMB will comply with the relevant parts of the ABC Policy when performing such work or services. The ABC Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide employees with a basic introduction to how PSMB combats bribery and corruption in furtherance of the company's commitment to lawful and ethical behavior at all times. Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root. If you have any doubt about the scope of applicable laws or the application of the company's policies concerning the fight against bribery and corruption, you should contact your relevant Governance and Compliance Unit immediately.

2. OBJECTIVES

This Policy sets out PSMB's overall position on bribery and corruption in all its forms.

3. SCOPE

This Policy is applicable to PSMB, its business associates acting on PSMB's behalf, the Board of Directors and all PSMB personnel. Joint-venture companies in which PSMB is non-controlling or co-venture and associated companies are encouraged to adopt these or similar principles. External Providers are also expected to comply with this Policy in relation to all work conducted with PSMB, or on PSMB's behalf.

4. REFERENCES

- a) Code of Conduct and Business Ethics
- b) Staff Handbook
- c) Whistleblowing Policy

5. DEFINITIONS

“Board of Directors” means the Board of Directors of PSMB.

“Bribery & Corruption” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation.

Bribery may be ‘outbound’, where someone acting on behalf of PSMB attempts to influence the actions of someone external, such as a government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within the Company such as a senior decision-maker or someone with access to confidential information.

“Gratification” is defined in the MACCA to mean the following:

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

“Business Associate” means an external party with whom PSMB has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

“Conflict of Interest” means when a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making at PSMB.

“Corporate Gift” means something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the Company’s brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the Company name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads and plaques.

“Donation & Sponsorship” means charitable contributions and sponsorship payments made to support the community. Examples include sponsorship of educational events, supporting NGOs, and other social causes.

“Exposed Position” means a staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the Company has identified as vulnerable to bribery.

“Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included.

“PSMB” or “Company” means Pembangunan Sumber Manusia Berhad.

“Personnel” means directors and all individuals directly contracted to the Company on an employment basis, including permanent and temporary employees.

6. POLICY OWNER

The Governance and Compliance Unit (GCU) is the owner of this Policy.

7. ANTI-BRIBERY AND CORRUPTION POLICY

7.1 Bribery and corruption in all its forms as it relates to PSMB’s activities is prohibited.

7.2 Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. PSMB personnel and its business associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of PSMB or the persons involved in the transaction.

- 7.3 The anti-bribery and corruption statement applies equally to its business dealings with commercial ('private sector') and government ('public sector') entities, and includes their directors, personnel, agents and other appointed representatives. Even the possible appearance of bribery or corruption is to be avoided, in particular when dealing with government officials.
- 7.4 The anti-bribery and corruption statement applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- 7.5 No employee or external party will suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.
- 7.6 PSMB is also committed to conducting due diligence checks on prospective personnel, particularly as it relates to appointments to positions where a more than minor bribery or corruption risk has been identified.

8. RECOGNITION OF LOCAL AND INTERNATIONAL LEGISLATION

- 8.1 PSMB is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the countries where it does business.
- 8.2 These laws include but are not limited to the Malaysian Penal Code (revised 1977) and its amendments, the Malaysian Anti-Corruption Commission Act 2009 and its amendments, the Companies Act 2016, the US Foreign Corrupt Practices Act 1977 (amended 1998), and the UK Bribery Act 2010. These laws prohibit bribery and acts of corruption, and mandate that companies establish and maintain accurate books and records and sufficient internal controls.
- 8.3 In cases where there is a conflict between mandatory laws and the principles contained in this and other policies, the law shall prevail.

9. GIFTS, DONATIONS AND SPONSORSHIPS/ NO GIFT POLICY

9.1 Prohibition on Solicitation and Acceptance of Gifts

The employees of PSMB are strictly prohibited from SOLICITING and ACCEPTING gifts as defined herein, from any person or organisation, directly or indirectly which may influence the judgement in a decision-making process where such gift is:

- 9.1.1 Solicited or given in relation with, by reason of, or in the course of, the official duties of the employee;
- 9.1.2 Solicited or given in connection with any transaction which may be influenced by the functions of the office of the employee;
- 9.1.3 Considered excessive and may put the employee under the obligation to return the favour to, or under the influence of, the giver;

9.1.4 Perceived to, or will actually, create the appearance of conflict of interest.

9.2 Prohibition on providing and acceptance of corporate hospitality

9.2.1 PSMB shall not provide or accept entertainment or corporate hospitality from Counterparties and Business Partners that are illegal, inappropriate or would violate PSMB's commitment to its Core Values. PSMB shall politely decline entertainment or corporate hospitality that does not comply with this or more restrictive policies.

9.2.2 It is the responsibility of each employee to obtain approval from Chief Executive for providing or accepting any corporate hospitality.

9.3 Public information

9.3.1 Corresponding Notices informing the registered employers, training providers, trainers, suppliers, and visitors of this "No Gift Policy" shall be posted within the premises and the official portal of PSMB.

10. FACILITATION PAYMENTS

10.1 PSMB adopts a strict policy of disallowing the use of facilitation payments in its business. Facilitation payment is a payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function.

10.2 Personnel shall decline to make the payment and report to GCU immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and personnel are unsure of the nature, the Head of GCU must be notified immediately, and the payment recorded accordingly.

10.3 Only in the event that an employee's security is at stake is it permitted to make the payment. The employee must immediately report the incident to their Head of Department and GCU to record the details and keep a record of what was spent.

11. MONEY LAUNDERING

11.1 PSMB strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities

11.2 Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders.

- 11.3 The penalties for breaching anti-money laundering legislation are severe and can include extradition and incarceration in foreign jurisdictions. To avoid violating anti-money laundering laws, employees are expected to always conduct counterparty due diligence to understand the business and background of PSMB's prospective business counterparties and to determine the origin and destination of money, property and services. Counterparty means any party that PSMB is currently in relationship with or intends to do business with in the future, either on a regular or once-off basis.
- 11.4 Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, JV partners and any other business partners.
- 11.5 PSMB employees must ensure full compliance of AMLATFAPUA 2001. http://www.bnm.gov.my/documents/act/en_amlatfa_v3.pdf

12. SUPPORT LETTERS

PSMB awards all contracts purely on a merit basis. Therefore, support letters in all forms shall not be influenced as part of the business decision making process.

13. BUSINESS ASSOCIATES

- 13.1 All business associates (including external providers such as consultants, advisors, and agents) acting on behalf of PSMB are required to comply with this Policy, the PSMB's Code of Conduct and Business Ethics, and all other policies as it relates to them.
- 13.2 In circumstances where PSMB retains controlling interest, such as in certain joint venture agreements, business associates are required to adhere to the ABC Policy and PSMB's Code of Conduct and Business Ethics. Where PSMB does not have controlling interest, associates are encouraged to comply the same.
- 13.3 Due diligence should also be carried out with regards to any business associates intending to act on the Company's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with PSMB.
- 13.4 The extent of the due diligence should be based on a bribery and corruption risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, and documenting the reasons for choosing one particular business associate over another. The results of the due diligence process must be documented, retained for at least seven years and produced on request by the custodian of the process.
- 13.5 PSMB shall include standard clauses in all contracts with business associates enabling the Company to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for business associates acting on PSMB's behalf where a more than minor bribery risk has been identified.

14. RESPONSIBILITIES OF PSMB PERSONNEL

- 14.1 All PSMB personnel (including its directors) are required to carry out those responsibilities and obligations relating to the Company's anti-bribery and corruption stance, alongside those already in existence, which includes the following:
- a) Be familiar with applicable requirements and directives of the Policy and communicate them to subordinates;
 - b) Promptly record all transactions and payments in PSMB's books and records accurately and with reasonable detail;
 - c) Ask the GCU if any questions about this Policy arise or if there is a lack of clarity about the required action in a particular situation;
 - d) Always raise suspicious transactions and other "red flags" (indicators of bribery or corruption) to immediate superiors for guidance on the next course of action;
 - e) Be alert to indications or evidence of possible violations of this Policy;
 - f) Promptly report violations or suspected violations through appropriate channels;
 - g) Attend required anti-bribery and corruption training as required according to position; and
 - h) Not misuse their position or PSMB's name for personal advantage.
- 14.2 When dealing with business associates, all PSMB personnel shall not:
- a) express unexplained or unjustifiable preference for certain parties;
 - b) make any attempt at dishonestly influencing their decisions by offering, promising or conferring advantage;
 - c) exert improper influence to obtain benefits from them;
 - d) directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.
- 14.3 During an active or anticipated procurement or tender exercise, personnel participating in the exercise in any way whatsoever, shall not:
- a) receive gifts or hospitality or any kind from any external party participating, planning to participate, or expected to participate, in the procurement or tender exercise;
 - b) provide anything other than a corporate gift and token hospitality to any external/third party related to the exercise;
 - c) be involved in any discussions regarding business or employment opportunities, for personal benefit or for the benefit of a business associate;
 - d) abuse the decision-making and other delegated powers given by the top management; and

- e) bypass normal procurement or tender process and procedure.
- 14.4 When dealing with external parties in a position to make a decision to PSMB's benefit (such as a government official or client), PSMB personnel shall not:
- a) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offer or make promise of corrupt payments, in cash or in kind;
 - b) be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
 - c) otherwise abuse the decision-making and other delegated powers given by the top management, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/or the Company; and
 - d) improper influence to obtain personal benefits from them.

15. CONFLICTS OF INTEREST

- 15.1 Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. All personnel should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage.
- 15.2 In situations where a conflict does occur, personnel are required to declare the matter as per the Staff Handbook.

16. STAFF DECLARATIONS

- 16.1 All PSMB personnel shall certify in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be documented and retained by the People Operations Department for the duration of the personnel's employment. A declaration form can be found in the **Appendix 1** of this Policy.
- 16.2 The GCU reserves the right to request information regarding an employee's assets in the event that the person is implicated in any bribery and corruption-related accusation or incident.

17. ANTI-BRIBERY AND CORRUPTION COMPLIANCE FUNCTION

- 17.1 GCU shall perform functions below within the Company structure, equipped to act effectively against bribery and corruption:
- a) provide advice and guidance to personnel on the issues relating to bribery and corruption;

- b) report on bribery and corruption breaches to the top management and Board of Directors as and when required.
- 17.2 Appropriate resources shall be provided for effective operation of GCU with persons who have the appropriate competence, status, authority and independence.
- 17.3 Risk Management Unit shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business, set anti-bribery and corruption objectives, and assess the effectiveness of the controls in achieving those objectives.

18. TRAINING AND AWARENESS

- 18.1 PSMB shall conduct an awareness programme for all its personnel on the Company's position regarding anti-bribery and corruption, integrity and ethics.
- 18.2 Training shall be provided on a regular basis, in accordance with the level of bribery and corruption risk related to the position. Training should be provided to personnel who are:
 - a) new to the Company;
 - b) appointed to or currently holding an exposed position.
- 18.3 People Operations Department shall maintain records to identify which PSMB personnel have received training, and produce, communicate and update the training schedule in conjunction with GCU.
- 18.4 Business associates acting on behalf of the Company shall also undergo appropriate training, where a bribery and corruption risk assessment identifies them as posing a more than minor bribery and corruption risk to the Company.

19. REPORTING OF POLICY VIOLATIONS

- 19.1 Suitable reporting channels shall be established and maintained for receiving information regarding violations of this Policy, and other matters of integrity provided in good faith by PSMB personnel and/or external parties.
- 19.2 Personnel who, in the course of their activities relating to their employment at PSMB, encounter actual or suspected violations of this Policy are required to report their concerns using the reporting channels stated in Whistleblowing Policy.
- 19.3 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- 19.4 Retaliation in any form against PSMB personnel where the person has, in good faith, reported a violation or possible violation of this Policy is strictly prohibited. Any PSMB personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible violation of this Policy shall be subjected to disciplinary proceedings including

demotion, suspension, dismissal or other actions (including legal action) which PSMB may pursue.

20. SANCTIONS FOR NON-COMPLIANCE

- 20.1 PSMB regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this Policy. For PSMB personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.
- 20.2 For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that PSMB's interests have been harmed by the results on non-compliance by individuals and organisations.

21. CONTINUOUS IMPROVEMENT

- 21.1 PSMB shall monitor the legal and regulatory regimes where it operates and any changes to PSMB's business environment and risks. A report should be submitted to the top management and Board of Directors as and when required for the appropriate action to be taken.
- 21.2 PSMB endeavours to impact the business environment where it operates. This includes extending its anti-bribery and corruption programme to non-controlled business associates such as suppliers and contractors, seeking to work with companies who have a similar commitment and supporting initiatives in the private and public sectors which are likely to improve the integrity of its operating environment.

APPENDIX 1
STAFF DECLARATION FORM

I, _____, hereby declare that I have read and understood PSMB's Anti-Bribery and Corruption Policy. I will abide by the requirements and provisions set out in the Policy, as required by my employment contract.

Name:

Position:

Date: