 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 1 of 10

1.0 PROTASCO BERHAD'S COMMITMENT

Protasco Berhad and/or Protasco Group of Companies (hereinafter referred to as "Protasco") is committed to conduct all of its business in an honest and ethical manner by implementing and enforcing systems that ensure bribery and corruption is prevented.

Protasco practises a zero-tolerance towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all business dealings and relationships wherever the Group operates; and in implementing and enforcing effective systems to counter bribery and corruption.


2.0 INTRODUCTION

The provision of Section 17A under the Malaysian Anti-Corruption Commission ("MACC") Act 2009 was introduced in 2018, which establishes the principle of a commercial organisation's criminal liability (corporate liability) for the corrupt practices of its employees and/or any person(s) associated with the commercial organisation in cases where such corrupt practices are carried out for the organisation's benefit or advantage.

The commercial organisation may be liable whether or not its top level management and/or representatives had actual knowledge of the corrupt acts of its employees and/or associated persons.

In the event that a commercial organisation is found liable under Section 17A of the MACC Act, the provision provides that the organisation having adequate procedures can raise it as a defence against corporate liability. In this regard the organisation must prove that the necessary procedures were in place to prevent its employee(s) and/or associated persons from undertaking corrupt practices in relation to its business activities.

Thus, these Policies & Procedures (P&P) are the defence to protect both the organisation and Board of Directors (BODs) from the liabilities now arising from the MACC Amendment Act 2018.

 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 2 of 10

This P&P has adopted the five principles set out in the 'Guidelines on *Adequate Procedures pursuant to Subsection (5) of Section 17A under the MACC Act 2009*' which for the purposes herein are as follows:


Principle	Description
Top Level Commitment	Outlining the overall responsibility of practicing the highest level of integrity and ethics, complying with all applicable laws and regulations on corruption and effectively managing key corruption risks on Protasco.
Risk Assessment	Conduct corruption risk assessment where systems, processes and controls are periodically assessed to identify and address corruption risk and weaknesses.
Undertake Control Measures	Put in place appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of Protasco in order to address any corruption risks arising from weaknesses in Protasco's governance framework, processes and procedures.
Systematic Review, Monitoring and Enforcement	Conduct regular audit for the purposes of assessing the performance, efficiency and effectiveness of Protasco's Integrity & Anti-Corruption P&P.
Training and Communication	Entails the dissemination of this P&P, relevant guidelines, policies and regulations through training and other forms of communication.

3.0 SCOPE

This P&P applies to all employees of Protasco domestically or outside Malaysia, as to all BODs, partner or the person who performs services for or on behalf of the organisation.

4.0 OBJECTIVE

- i) To foster the growth of a business environment that is free of corruption.
- ii) To encourage all commercial organisations to take reasonable and appropriate measures to ensure their businesses do not participate in corrupt activities for their advantage or benefit.
- iii) To provide employees with basic guidelines on how Protasco combats bribery and corruption in extending the Company's commitment to lawful and ethical organisation at all times.
- iv) To provide the organisation with adequate procedures as a defence against corporate liability arising from the MACC Amendment Act 2018.

 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 3 of 10

5.0 ABBREVIATIONS

5.1 Abbreviations for documents

DAL	Discretionary Authority Limit
P&P	Policies and Procedures

5.2 Abbreviations for departments and job titles

BAC	Board Audit Committee
BOD	Board of Director
BRC	Board Risk Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSR	Corporate Social Responsibility
EC	Executive Chairman
ED	Executive Director
GM	General Manager
GMD	Group Managing Director
HOD	Head of Department
HRD	Human Resources Department
IACC	Integrity and Anti-Corruption Committee
JV	Joint Venture
MACC	Malaysian Anti-Corruption Commission
MD	Managing Director
MR	Management Representative
VC	Vice Chancellor

6.0 DOCUMENT REFERRED


This SOP shall be read together with the following policies:

- (i) Latest DAL.
- (ii) MACC Amendment Act 2018 (*including its amendment*).
- (iii) Whistleblowing : Policy & Procedure.

7.0 DEFINITION

Business Associate	An external party i.e. customers, contractors, vendors, suppliers, solicitors, agents, consultants, with whom Protasco has or plan to establish some form of business relationship.
Bribery	Any action which would be considered as an offence of giving or receiving 'gratification' under MACC Act 2009. 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 a position of trust within an organisation.
Commercial Organisation	<p>a) a company incorporated under the Companies Act 2016 [Act 777] and carries on a business in Malaysia or elsewhere;</p> <p>b) a company wherever incorporated and carries on a business or part of a business in Malaysia;</p> <p>c) Partnership –</p> <p>(i) under the Partnership Act 1961 [Act 135] and carries on a business in Malaysia or elsewhere; or</p> <p>(ii) which is a limited liability partnership registered under Limited Liability Partnerships Act 2012 [Act 743] and carries on a business in Malaysia or elsewhere; or</p> <p>d) a partnership wherever formed and carries on a business or part of a business in Malaysia.</p>
Corporate Gift	<p>Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift.</p> <p>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.</p> <p>Corporate gifts normally bear the company name and logo and are of nominal value.</p> <p>Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates.</p>
Corruption	The Transparency International definition of corruption is <i>'the abuse of entrusted power for personal gain.'</i>

	<p>For the purpose of this P&P, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (MACCA) (<i>'Bribery' as defined above</i>).</p> <p>In addition, corruption may also include acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.</p>
Directors	Include all independent and non-independent directors, executive and non-executive directors of Protasco and shall also include alternate or substitute directors.
Donations and Sponsorship	Charitable contributions and sponsorship payment made to support the community.
Employees	All individuals directly contracted to Protasco on an employment basis, including permanent and temporary employees and Directors.
Facilitation Payment	A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.
Integrity and Anti-Corruption Committee	Comprises of the COO, CFO, GM HRD, Legal Manager and Head of Corporate Assurance.
Head of Division	Head of Division of Protasco inclusive of VC, ED, MD, CEO and COO
Management Representative	Any member of the senior or key management appointed by the EC to act on his behalf in overseeing matters as set out in this P&P during his absence.
Protasco	Protasco Berhad and/or Protasco Group of Companies
Top Management	Any member of the senior or key management team of Protasco including EC, GMD, COO, Head of Division, CFO and/or HOD and shall include his Representative.

 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 6 of 10

8.0 OWNERSHIP & RESPONSIBILITY

The ownership, enforcement, control, implementation, governance, assessment, evaluation and supervision of this P&P shall be assumed by the BOD, BAC, BRC, IACC and the Corporate Assurance Department detailed as follows:

Item	Responsibility	BOD	BAC	BRC	IACC	Corporate Assurance Department
1	Ownership of this P&P	✓				
2	Supervision of this P&P.		✓	✓		
3	Assessment, Evaluation, and Governance of this P&P				✓	✓
4	Implementation, Enforcement, Management, Updating, and Administration of this P&P					✓

9.0 COMPLIANCE WITH LAWS AND REGULATIONS

9.1 All employees are required to read, understand and comply with this P&P during the course of their work. This P&P is also applicable to Business Associates who are required to comply with the relevant provisions of this P&P in their dealings with Protasco and its employees.


9.2 The Top Management is primarily responsible for ensuring that Protasco:

- a) Practices the highest level of integrity and ethics.
- b) Complies fully with the applicable laws and regulatory requirement on anti-corruption with relevant provision of this P&P.
- c) Effectively manages the key corruption risks of Protasco.

9.3 This P&P shall at all times comply with and be subject to the laws and regulations of Malaysia. In the unlikely event of any conflict or inconsistency between the provisions of this P&P, the Human Resources Policy & Procedure Manual and regulatory & legislative provisions, the stricter provisions shall apply. However, if the local custom or practice conflicts with this P&P, the latter shall prevail.

9.4 In the event that actual or suspected violations of this P&P were encountered, reporting of such violations shall be in accordance with Protasco's Whistleblowing: Policy & Procedure.

Protasco shall make a report to the relevant enforcement authority upon actual conviction by the employee i.e. breach of regulation or statutory law following the investigation and final decision made by the Whistleblowing Committee.

 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 7 of 10

PART A – GIFTS, ENTERTAINMENT AND CORPORATE HOSPITALITY

a) No-Gift Policy

- All employees should not accept or solicit any gifts from third party that may have direct or indirect business with Protasco.
- All employees are required to abide to the policy to avoid conflict of interest which can be seen as bribery.
- Any gifts in the form of cash and cash value (vouchers, coupons, shares, commission) are strictly prohibited.
- Fruits, flowers, hampers and other promotional items, with nominal value, are acceptable with the condition that the items shall be shared amongst team members and placed in common area for staff consumption.

b) Receiving Gifts, Corporate Hospitality and Entertainment

- Protasco strictly prohibits employees from accepting corporate hospitality and entertainment that is excessive, in appropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly parties engaged in a tender or competitive bidding exercise.
- In the event the employee is unable to decline or return a gift of unacceptable value, the employee must declare and surrender such gift to HRD.


HRD will seek the EC's or GMD's direction on the best ways to dispose the gifts.

c) Providing Gifts, Entertainment and Hospitality

- Generally, all employees are not allowed to provide gifts to third parties with the exception that gift-giving are Protasco's corporate gifts mainly as business courtesy or gifts are distributed during corporate events (bearing Protasco Berhad's name and logo).
- All expenses incurred to provide the corporate gifts must be properly kept, documented and recorded by respective departments for audit purposes.
- Eligible employees are allowed to entertain third parties through reasonable act of hospitality as part of business in accordance with the approval limits or budget as per Protasco's DAL.

d) Dealing with Public Officials

- Any business relationship with Protasco involving interests of public officials who otherwise has a direct relationship with Protasco, requires disclosures. In addition, EC's or GMD's specific approval for establishing business relationship with such customers must be obtained.
- All employees are prohibited from paying non-business travel, entertainment and hospitality for any public official or his or her family members at any amount without the approval of the EC or GMD.

 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 8 of 10

- If approval is obtained to provide gift, entertainment or corporate hospitality to public officials, the employee must ensure the gift, entertainment or corporate hospitality is not excessive and lavish, and must commensurate the official designation of the public official and not his or her personal capacity.

PART B – CSR, DONATIONS

Any CSR, donations and sponsorship activities conducted must not be used as a conduit to avoid or evade the laws and regulatory requirements. Ultimately, it shall not be used to facilitate corruption, illegal and money laundering activities.


- All of these activities must be verified and approved by the respective Head of Division of the business segment for legitimacy and genuineness and not be made to improperly influence a favourable business outcome.
- All of these activities must be made in accordance with the approval limits or budget as per Protasco's DAL.

PART C – FACILITATION PAYMENT

- Offering, promising or requesting facilitation payment is just as prohibited as actually paying or receiving facilitation payments.
- Protasco prohibits accepting or obtaining, directly or indirectly, facilitation payments from any person for the benefit of the employee himself or herself or for other person as it is seen as bribery.
- All employee must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If an employee received a request or being offered facilitation payments, he or she must report immediately to the respective channel as stated in Clause 9.4 above (or as provided under the Whistleblowing: Policy & Procedure).

10.0 CORRUPTION RISK MANAGEMENT

- 10.1 Corporate Assurance Department shall conduct regular corruption risk assessments to identify the bribery and corruption risks potentially affecting Protasco.
- 10.2 Findings from the assessments shall be deliberated during BRC Meeting.
- 10.2 Corporate Assurance Department shall also review the suitability of this P&P from time to time and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of Protasco.

 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 9 of 10

11.0 CONTROL MEASURES

11.1 Due Diligence on Third Parties


- a) Conduct due diligence to assess the integrity of Protasco's prospective Business Associate, JV Partners and government intermediaries (hereinafter referred to as third parties).
- b) All third parties are to be made aware of Protasco's Whistleblowing: Policy & Procedure and Integrity & Anti-Corruption Policies & Procedures. Third parties must sign the Third Party Integrity & Anti-Corruption Declaration Form (*Ref. No.: PB/IAC/F02-00*) to agree and confirm on conforming to all anti-corruption policies throughout the business dealings.
- c) Continue to be aware of and monitor third party's performance to ensure ongoing compliance.
- d) To identify red flags throughout the due diligence process and all red flags must be sufficiently mitigated by third parties, before proceeding with business dealings.
- e) Where the department involved finds that the red flag could not be mitigated despite all the non-exhaustive measures, the department shall not proceed with business dealings with the third party.
- f) For any third party with positive public official traces and department decided to recommence the business dealings, the disclosure in the financing requisition is mandatory.

11.2 Financial and Non-Financial Controls

Segregation of duties and approving powers to be assigned with 4 layers of financial activities checking – requestor/preparer, checker & approver (in accordance with the approval limits or budget as per Protasco's DAL) and through internal audit verification.

11.3 Record Keeping

- a) Protasco shall ensure that detailed and accurate financial & other records, and shall have appropriate internal controls in place as evidence of all payments made be maintained accordingly.
- b) Every department must ensure that all business transactions and dealings are recorded and traceable. They must retain at least 7 years all records, operational documents, other documents and transactions to enable Protasco to comply with and attend to any enquiries from the relevant authorities.
- c) Records on customer's identification, business correspondence and security documents are to be kept by respective departments even after the business dealings are terminated/exited/completed for a period determined by the HOD.

 PROTASCO BERHAD POLICIES & PROCEDURES P&P-01: INTEGRITY & ANTI-CORRUPTION	DEPARTMENT	CORPORATE ASSURANCE
	REFERENCE NO.	PB/CAD/P&P-01
	REVISION NO.	2
	EFFECTIVE DATE	29 MARCH 2021
	PAGE NO.	Page 10 of 10

11.4 Employee Recruitment

- a) Proper background checks to be carried out in order to ensure that potential employee has not been convicted in any bribery or corruption cases.
- b) More detailed background checks to be taken when hiring employees at the managerial position as they are tasked with decision-making obligations.
- c) HRD are opt to conduct psychometric test to ascertain the level of integrity of all existing employees and new hires.
- d) All employees are required to sign the Integrity & Anti-Corruption Declaration Form (*Ref. No.: PB/IAC/F01-00*).

12.0 MONITORING AND REVIEW

- 12.1 The BAC will ensure that this P&P is executed accordingly and reviewed on need basis and adapted to changing circumstances or in response to any incident involving corruption activities within Protasco.
- 12.2 Regular review and assessment exercises may be conducted either independently by Corporate Assurance Department, and/or conducted by external consultants to ensure compliance to this P&P.
- 12.3 Findings from the review and assessment shall be deliberated during the BAC meeting.

13.0 COMMUNICATION AND TRAINING

- 13.1 Protasco will ensure that this P&P is communicated to all employees.

Relevant employees will receive training on the terms and implementation of the P&P and with the relevant reporting procedures.
- 13.2 Seminars and online training programs shall be planned and attended by employees to allow them to become acquainted with anti-corruption legislation and the consequence of non-compliances.

14.0 APPENDICES

- a) Integrity & Anti-Corruption Declaration Form (*Ref. No.: PB/IAC/F01-00*).
- b) Third Party Integrity & Anti-Corruption Declaration Form (*Ref. No.: PB/IAC/F02-00*).

END OF DOCUMENT.