

**PASB Group  
CODE OF ETHICS FOR BUSINESS ASSOCIATES  
(the "COE(BA)")**



Approved by PASB Board on 28<sup>th</sup> June 2024

## ABBREVIATIONS

ABC	–	Anti-Bribery and Anti-Corruption Policy
BOD	–	Board of Directors
CS	–	Company Secretary
IO	–	Integrity Officer
MACC	–	Malaysian Anti-Corruption Commission
MACCA	–	Malaysian Anti-Corruption Commission Act 2009
PASB Group	–	Permodalan ASSAR Sdn. Bhd. and its group of companies, which are wholly owned, majority owned and indirect subsidiaries
PEP	–	Politically Exposed Person
PO	–	Public Officials
SOP	–	Standard Operating Procedure

## DEFINITION

<i>Word</i>	<i>Meaning</i>
<i>“Agreement”</i>	<i>Includes contract for service, memorandum of understanding, joint-venture agreement, development agreement, etc.</i>
<i>“Associated Person(s)”</i>	<i>Any person who performs services for or on behalf of PASB Group.</i>
<i>“Conflict of interest”</i>	<i>A conflict of interest occurs where a person or entity with a duty to the organisation has a conflicting interest, duty, or commitment. Having a conflict of interest is not in itself corrupt, but corruption can arise where a director, CS, employee, associated person(s) and/or third party(s)/business associate(s) breaches the duty due to the organisation by acting in regard to another interest.</i>
<i>“Director(s)”</i>	<i>Includes the executive and non-executive directors of the relevant entity under PASB Group.</i>
<i>“Employee(s)”</i>	<i>All individuals directly contracted to the group on an employment basis including permanent and temporary employees.</i>
<i>“Family members of the director, CS and employee”</i>	<i>Shall include parent, spouse, child (including adopted child and stepchild), brother, sister and the spouse of the child (including brother and sister)</i>
<i>“Family members of PO, PEP, Associated Person(s), and Third Party(s)/</i>	<i>Individuals who are related to a PO/PEP/Associated Party(s)/Business Associate(s) either directly (consanguinity) or through marriage. A family member of the PO/PEP/Associated Party(s)/Business Associate(s) includes his/her parents, siblings, spouse,</i>

<i>Business Associate(s)</i>	<i>children and spouse's parents (biologically and non-biologically).</i>
<i>"PASB Group"</i>	<i>Permodalan ASSAR Sdn. Bhd. and its group of companies, which are wholly owned, majority owned and indirect subsidiaries</i>
<i>"PEP"</i>	<i>An individual, whether local or foreign, individual who is or who has been entrusted with prominent public functions by a country, for example, Head of State, senior politician, senior government, judicial or military official, senior executive of state owned corporation, important political party official of the relevant country.</i>
<i>"PO"</i>	<p><i>PO functions or acting in a PO capacity, and includes any of the following:</i></p> <ul style="list-style-type: none"> <li><i>i. Yang Di-Pertuan Agong, Sultan, Yang Dipertua Negeri, Raja Muda and Tengku Mahkota;</i></li> <li><i>ii. Prime Minister, Deputy Prime Minister, Chief Minister, Deputy Chief Minister;</i></li> <li><i>iii. Minister, Deputy Minister/Assistant Minister, Official or employee of any government, or any agency, statutory body, ministry or department of the government (of any level);</i></li> <li><i>iv. Police, military and judicial official (of any level);</i></li> <li><i>v. Member of Dewan Rakyat, Dewan Negara and Dewan Undangan Negeri;</i></li> <li><i>vi. Any individual acting in an official capacity for a government (of any level);</i></li> <li><i>vii. Official or employee of a company/an enterprise wholly or partially state-owned (of any level);</i></li> </ul>

	<p>viii. <i>A political party or official of a political party of the ruling party (of any level); and</i></p> <p>ix. <i>A candidate for political office.</i></p>
<i>“The Management”</i>	<i>Chief Executive Officer/Executive Director/Director-in-charge</i>
<i>“Third Party(s)/Business Associate(s)”</i>	<i>Any person who has business or potential business in the process of business dealing with PASB Group and is not covered under the definition of associated person including but not limited to bidder and tenderer.</i>

## **PREAMBLE**

PASB Group Code of Ethics for Business Associate(s) (“COE(BA)”) is issued pursuant to the ABC policy. In the event of conflicting provision between the ABC and the COE(BA), the latter shall prevail.

Section 17A of the MACCA 2009 which criminalizes an organization for corruption-related actions by associated persons done for the benefit of the organisation and had complied with the Adequate Procedures under Section 17(5) of the MACC Act. Section 17A(1) state that a commercial organisation commits an offence if a person associated with it corruptly gives, offers or promises any gratification to any person with an intent to obtain or retain business or a business advantage for the said commercial organisation.

As such, there is a need for PASB Group to have in place adequate procedures to prevent associated person from committing such offence. The principles under the adequate procedures against corruption consist of the following:

**T - Top-Level Commitment**

**R - Risk Assessment**

**U - Undertake Control Measures**

**S - Systematic Review, Monitoring & Enforcement**

**T - Training & Communication**

By this COE(BA), PASB Group intends to communicate under the principle of “Training & Communication” to all associated person(s) and/or business associate(s)<sup>1</sup> on their zero tolerance policy against all forms of bribery and corruption. For ease of reference, business associate(s) wherever mentioned in this COE(BA) shall also include associated person(s).

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<sup>1</sup> For purpose of clarification, a business associate(s) is also known as a third party(s) under the ABC.

## **PART I: OVERVIEW**

### **1.0 INTRODUCTION**

- 1.1 PASB Group is committed to operating our business in an ethical, legal and socially responsible manner.
- 1.2 PASB Group expects our business associate(s) i.e. contractors, consultants, suppliers, agents, bidders, tenderers, etc. to conduct themselves in accordance with the Group's commitment to integrity and the same high ethical standards as set out in this COE(BA).
- 1.3 All our business associate(s) are to read and abide to this COE(BA), the ABC and any other relevant Group policies and SOPs when conducting business with PASB Group.
- 1.4 This COE(BA) sets the expectations for the Group's dealings with business associate(s). A commitment to full compliance with this COE(BA) is a fundamental requirement to working for, or with PASB Group. Failure to comply with this COE(BA) or applicable laws and regulations may lead to the review and/or termination of any agreement with such parties. PASB Group believes that sustainable business relationships are based on key principles of integrity, accountability and compliance with applicable laws and regulations.
- 1.5 Whenever a business associate(s) is in doubt of the scope of the applicable laws or application of this COE(BA), business associate(s) may consult the IO.

## **PART II: CODE OF CONDUCT**

### **2.0 PRINCIPLES**

2.1 By acknowledging receipt of this COE(BA), business associate(s) are deemed to agree and abide with the principles under this COE(BA).

### **3.0 COMMITMENT TO PROFESSIONALISM AND INTEGRITY**

3.1 Any business dealing with PASB Group must be conducted in a transparent manner with honesty, integrity and fairness.

### **4.0 BRIBERY AND CORRUPTION**

4.1 PASB Group hereby **adopts a zero tolerance policy against all forms of bribery and corruption**. Even the perception of bribery is to be avoided.

4.2 As such, all business associate(s) shall not offer bribes or resort to any activity that would constitute the same. Business associate(s) shall report any instances of bribery or corruption to PASB Group via the secured reporting channels as guided by PASB Group Whistleblowing Policy and Procedures.

4.3 Any report or complaint against an employee of PASB can be made by submitting a duly completed prescribed Whistleblowing form via a sealed envelope which shall be marked as "Strictly Confidential") to the Integrity Officer through the communication channels as set out below and provide sufficient details which include the following:

- i. description of the Improper Conduct;
- ii. name of the person that has committed or engaged or is preparing to engage in any Improper Conduct;
- iii. the date and location of the incidence; and



iv. supporting documents or evidence in relation to the alleged Improper Conduct.

a) Email: abac@assar.com.my

b) Mailing Address: Integrity Officer of PASB

Lot 357, Section 5, KTLD

Jalan Satok

93400 Kuching, Sarawak

4.4 Where the alleged Improper Conduct are in relation to the Integrity Officer or the Senior Management or any Board of Director of PASB Group or if the whistleblowers believe that there has been retaliation or Detrimental Action in any way for whistleblowing, they may forward the Whistleblowing Form and/or the Detrimental Action Complaint Form and provide sufficient details directly to the Chairman of the Group Nomination and Remuneration Committee via a sealed envelope addressed to the same mailing address as above and marked as "Strictly Confidential" for further action.

## **5.0 CONFLICT OF INTEREST**

5.1 The business associate(s) must exercise reasonable care to avoid situations that could result in actual or potential conflict of interest. Business associate(s) of PASB Group must ensure that the Group's interest is protected at all times.

## **6.0 GIFTS, ENTERTAINMENT AND CORPORATE HOSPITALITY**

6.1 PASB Group has adopted a "**No-Gift**" policy and requires all business associate(s) to observe and adhere to the ABC in regards to gift, entertainment and corporate hospitality.

6.2 Business associate(s) shall not influence or be perceived to influence the outcome of a business decision with the director, CS, employee or his/her family by providing gift, entertainment and corporate hospitality.

- 6.3 Any gift of cash or cash value (e.g. vouchers, coupons, shares, commissions, etc.) to director, CS, employee, or his/her family members is strictly prohibited at all times. However, business associate(s) may provide gift on the following occasions:
- a) Gift during festive season.
  - b) Occasional token or promotional gifts of reasonable value of which the amount shall not exceed RM500.00 per person per annum.
- 6.4 Business associate(s) are allowed to provide gift, entertainment and corporate hospitality but need to ensure the following:
- a. The proportionality in which the gifts, entertainment and corporate hospitality must not be too excessive. In addition, the corporate hospitality and entertainment must commensurate with the recipient's official capacity and not provided in his/her personal capacity;
  - b. Reasonableness in ensuring that the gifts, entertainment and corporate hospitality is not lavish; and
  - c. Bona fide, where the intention to offer and/or provide the gifts, entertainment and corporate hospitality is done with good and legal intentions.

## **7.0 FACILITATION PAYMENT**

- 7.1 Facilitation payment is payments made to expedite the performance of a person performing a routine or administrative duty/function. All business associate(s) must not offer, promise or give anything which may reasonably be regarded as a facilitation payment by PASB Group.
- 7.2 Business associate(s) must immediately report to PASB Group on any solicitation of payment by the director, CS and/or employee of PASB Group by utilising the Group's whistleblowing channel as outlined under Clauses 4.3 and 4.4 above.

## **8.0 PO/PEP**

8.1 Business associate(s) must declare to PASB Group in the event that their business is connected to PO/PEP or his/her family members.

## **9.0 ANTI-MONEY LAUNDERING**

9.1 Money laundering is an offence under the applicable laws and regulations in Malaysia.

9.2 Money laundering is the process of converting cash or property derived from illegal or criminal activities and to portray the appearance of having been obtained from legitimate sources. As such, whoever launders his property which comes from illegal activities such as bribery, criminal breach of trust, and false claim is deemed to have committed an offence.<sup>2</sup>

9.3 Terrorism financing is the process of financing terrorist activities either through legitimate or illegitimate sources. Some of the examples of terrorism financing techniques include movement of funds via financial system, raising fund from legitimate sources, raising fund from ransom/ kidnapping etc.

9.4 If the business associate(s) have reasonable grounds to suspect that funds with which they are somehow involved are linked to money laundering activities, or the transactions look suspicious, or the funds are linked to/used for terrorism activities etc.; the business associate(s) must channel promptly their suspicions to PASB Group via the Group's whistleblowing channel as outlined under Clauses 4.3 and 4.4 above.

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<sup>2</sup> S. 4(1) AMLA

## **10.0 BUSINESS ASSOCIATE(S) CONFIRMATION AND COMMITMENT**

10.1 As part of PASB Group business dealing and/or prior to entering an agreement, the business associate(s) shall confirm and commit in writing the following conditions:

- a. to commit to the anti-corruption principles such as promoting values of integrity, transparency, accountability, good corporate governance, prevention of corruption and fighting any forms of corrupt practice;
- b. to support anti-corruption initiatives led by the government and the local authorities;
- c. to declare that they have not been convicted nor subjected to any investigation, inquiry or enforcement proceedings by the relevant authorities of any actual or suspected breach and shall report any actual or suspected breach as soon as reasonably practicable and to the extent permitted by the law, to PASB Group;
- d. to undertake to promptly inform PASB Group of any breach of the provision of the Group's ABC and to cooperate with PASB Group in any investigation of such breach involving the directors, CS and/or employees of PASB Group;
- e. to acknowledge that PASB Group has the right to forthwith suspend or terminate their agreement and disqualify them from tendering for future tenders in the event that business associate(s) are found to have breached the requirements or any other terms and conditions which may be imposed by PASB Group; and
- f. In the event that the business associate(s) is charged or convicted by MACC or the court for corrupt practices, not due to PASB's misconduct, the business associate(s) shall undertake to PASB Group as follows:
  - i. To pay for all losses or damages arising from breach of agreement; or
  - ii. To reimburse/pay for solicitor and client's cost incurred by PASB Group, or

- iii. To indemnify or reimburse PASB Group for the penalty or fine in the event that PASB Group has been jointly charged or convicted for corruption.

10.2 PASB Group shall reserve the right to withdraw at any point in time any offer made to the business associate(s) in the event that the business associate(s) refuses to agree to clause 10.1 of above.

## **11.0 RECORD KEEPING**

11.1 Business associate(s) are encouraged to maintain adequate internal controls and procedures to ensure that all transactions with PASB Group are accurately recorded and reported in its books and records<sup>3</sup> to reflect truly the activities to which they pertain such as the purpose of each transaction and to whom it was made or from whom it was received.

11.2 PASB Group expects its business associate(s) to:

- a) Maintain the integrity of the information provided to PASB Group at all times;
- b) Respond promptly to enquiries from authorised representative of PASB Group regarding the implementation and compliance to this COE(BA) and/or the ABC;
- c) Fully cooperate, provide the access and allow to visit and audit the relevant document, personnel and facilities, upon such request from PASB Group due to any matters arising from the ABC;
- d) Update any change in circumstances and business associate(s) details which may have an impact to PASB Group; and
- e) To maintain confidentiality of all proprietary information and documentations between PASB Group and the business associate(s).

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<sup>3</sup> For all intent and purpose, "books and records" are mandatory requirement under the Malaysian law.

## **12.0 COURT PROCEEDINGS AND/OR WINDING-UP/BANKRUPTCY**

12.1 A business associate(s) shall immediately notify PASB Group:

- a) upon receiving any writ of summons and statement of claim:
  - i. for the claim which is more than 50% of the shareholder funds and/or 50% of the paid-up shares capital (whichever amount is lower), if the business associate(s) is a company or a limited liability partnership; or
  - ii. for the claim which is more than RM100,000.00, if the business associate(s) is an individual or a business entity such as sole-proprietor or partnership;
- b) upon receiving winding-up petition/ bankruptcy notice; or
- c) upon being wound-up or being declared bankrupt by a court of competent jurisdiction.

## **13.0 COMPETITIVE PRACTICE**

13.1 All business associate(s) must respect their contractual commitments to PASB Group. Business associate(s) must not collude with other bidders, tenderers, distributors, suppliers or contractors, or engage in any other form of anti-competitive behaviour.

## **14.0 DISCLOSURE OF AN OFFENCE**

14.1 All business associate(s) must report immediately to PASB Group any real, apparent or suspected breach of this COE(BA), the ABC or rules and regulations<sup>4</sup> under the Malaysian law by the director, CS, employee and/or associated person(s) to PASB Group.

14.2 All business associate(s) are provided assurances that any report or disclosure made to the Group, which are made in good faith and without malicious intent will be accorded protection of confidentiality to the extent

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<sup>4</sup> Such as MACCA, AMLA

reasonably practicable in accordance with the Group's Whistleblowing Policy.

**15.0 BREACH OF COE(BA)**

15.1 In the event that the business associate(s) breach this COE(BA), PASB Group shall take the following actions:

- a) To terminate the agreement and to seek for all loss and damages arising from such breach; or
- b) To reimburse/pay for solicitor and client's cost incurred by PASB Group; or
- c) To indemnify or reimburse PASB Group for the penalty or fine in the event that PASB Group has been jointly charged or convicted for corruption; or
- d) To report to MACC and/or relevant authority if such breach was due to corruption.

15.2 PASB Group expects all business associate(s) to render full cooperation in the event of any investigation, inquiry, audit or litigation relating to or involving PASB Group.