



PNB (UK) LIMITED

("PNB UK" or "the Firm")

Anti-Bribery Policy

Revision history

Version	Effective Date	Prepared By	Approved By
1.0	9 April 2021	Principal Officer	Board of Directors
2.0	23 October 2023	SCO & MLRO	Board of Directors
3.0	27 August 2024	SCO & MLRO	Principal Officer
4.0	21 May 2025	SCO & MLRO	Principal Officer

A. Introduction

This Anti-Bribery Policy is intended to set out PNB UK's approach and policy towards addressing the risk of bribery-related offences being committed by the Firm.

It should be highlighted that at Group level, the Firm's parent company, **PERMODALAN NASIONAL BERHAD**, has also instituted several policies, systems and controls to address bribery risk at all Group entities, including the Firm. Pursuant to the PNB Group Anti-Bribery and Corruption Policy Statement ("**PNB Group ABC Statement**"), all Group entities will abide by the Malaysian Anti-Corruption Act 2009 and any applicable laws in respect of countering bribery and corruption in all jurisdictions in which the PNB Group operates or conducts its business. The Firm therefore also acts in full conformance with all relevant policies on bribery and anti-corruption at Group level.

This Anti-Bribery Policy should therefore be read together with the Organisational Anti-Corruption Plan of the PNB Group 2025-2028, the aforementioned PNB Group ABC Statement, the Integrity Charter & Framework of the PNB Group, the Code of Business Ethics of the PNB Group, the Whistleblowing Policy of the PNB Group, the Procurement Integrity Pact of the PNB Group, the PNB Employee Handbook, and any other Group-level internal policies and procedures relating to countering bribery and corruption.

The following Group-level governing documents are therefore appended to this Policy:

Appendix A	Organisational Anti-Corruption Plan of the PNB Group 2025-2028
Appendix B	PNB Group Anti-Bribery and Corruption Policy Statement
Appendix C	Integrity Charter & Framework of the PNB Group
Appendix D	Code of Business Ethics of the PNB Group
Appendix E	Whistleblowing Policy of the PNB Group
Appendix F	Procurement Integrity Pact of the PNB Group
Appendix G	PNB Anti-Bribery Management System Manual

B. Bribery Act 2010

1. Offences under the Bribery Act 2010

The Bribery Act 2010 establishes four categories of offence:

- **Bribing another person;**
Offer, promise or give to another a financial or other advantage in connection with a person performing a function improperly.
- **Being bribed;**
Request, agree to receive or accept a financial or other advantage in connection with a person performing a function improperly.
- **Bribing a foreign public official ("FPO") or offering a financial advantage;**
With the intention of influencing the FPO in his capacity, in order to obtain or retain business or an advantage in the conduct of business.

- **Failure of a commercial organisation to prevent bribery**

An associated person bribes another person intending to obtain or retain business or an advantage in the conduct of business for an organisation AND there are no adequate procedures in place to prevent bribery.

The **first three** offences are capable of being committed by an **individual or an organisation**, whilst the **fourth** can be committed by an **organisation only**.

The Bribery Act 2010 covers bribery of private persons as well as public officials, removes the requirement to prove a corrupt intent and introduces the corporate offence of failing to prevent bribery. Facilitation payments remain illegal under the Act, even if they are permitted by local custom.

The penalties for Bribery itself include 10 years' imprisonment and an unlimited fine for individuals and an unlimited fine for companies. Senior management are also guilty of the same offence as the organisation they manage, if they consented to the offence.

The proceeds derived from acts of bribery are likely to be considered as "criminal property" for the purposes of UK anti-money laundering legislation and should be reported to the National Crime Agency ("NCA"). Failure to do so can result in up to five years' imprisonment and an unlimited fine. The penalties for money laundering are up to 14 years' imprisonment and an unlimited fine.

2. Failing to prevent bribery

The offence of failing to prevent a person associated with the organisation from bribing another person on its behalf, only applies to "commercial organisations". This includes entities incorporated in the UK, regardless of where they conduct their business AND entities incorporated outside of the UK that conduct their business in the UK.

An "**associated person**", in accordance with Section 8 of the Bribery Act 2010, includes persons who perform services for or on behalf of the organisation regardless of their capacity. This will generally include Members, employees, agents, subsidiaries and joint venture partners.

It is a defence to demonstrate that despite the bribery taking place, the organisation had "adequate procedures" to prevent bribery.

3. Defence - Adequate procedures (Section 7)

The adequacy of the procedures will depend on the risks faced by an organisation. Small companies are not generally required to have policies as extensive as large multi-national organisations and where no risk of bribery exists, an organisation will not be required to have any anti-bribery procedures in place (although this is unlikely to be the case for most organisations and would be very difficult to prove without having conducted, and documented, a review of its bribery risks).

C. Guiding Principles

The guidance published by the Ministry of Justice¹ (“the Guidance”), recommends that organisations adopt a risk-based approach to managing the risk of bribery and establishes six key principles to assist organisations in creating robust policies and procedures. These principles are as follows:

- **Proportionate procedures** - the organisation should develop clear and precise policies and procedures to avoid the risk of bribery. These should be proportionate to the risk associated with the size, nature and complexity of the business and its activities and establish clear reporting lines and methods of escalating any issues identified.
- **Top level commitment** - the culture of the organisation should be seen to flow from senior management down. It is therefore important that the top-level management (e.g. Directors etc.) takes responsibility for communicating the organisation’s anti-bribery stance and ensuring it is adhered to.
- **Risk assessment** – a thorough assessment of the risks faced by the organisation should be conducted on an ongoing basis. This assessment should consider both the internal and external risks of bribery. In particular, transactions conducted in riskier jurisdictions or with foreign public officials should warrant a higher degree of assessment.
- **Due diligence** – where risks are identified, appropriate investigations should be conducted to ensure bribery is not occurring. This will include a review of all associated persons.
- **Communication (including training)** – the communication of the organisation’s policies and procedures is as important as the policies themselves and this should be evidenced. The senior management should ensure that all associated persons are aware of the organisation’s policies and procedures and agree to comply with them or have adequate policies and procedures in place. Training should also be conducted for all staff initially when they join the Firm and then on an ongoing basis as necessary.
- **Monitoring and review** – the policies and procedures should be reviewed annually and updated where appropriate. The organisation should also incorporate bribery into its internal monitoring programme and record any incidents and actions taken.

D. The Firm’s Stand Against Bribery

The Firm, as a member of the PNB Group of companies, is committed to applying the highest standards of integrity and ethical conduct in all of its business activities and operations. The Firm adopts the Bribery-Corruption Free Business Environment adopted by the PNB Group, and takes a stern stance against such acts.

The Board of Directors, as the Firm’s Governing Body, recognises that fighting bribery and corruption is the responsibility of everyone in the organisation, and takes responsibility for setting the standard for anti-bribery and anti-corruption, alongside the senior management and employees of the Firm. The Board is committed to reducing the risk of financial crime, including bribery and corruption.

¹ “Guidance about procedures which relevant commercial organisations can put in place to prevent persons associated with them from bribing”.

E. Gifts, Benefits & Other Consideration

Employees may not give, agree to give or offer any benefit or other consideration to any person including a public official or an employee in the private sector as an inducement or reward for that person doing or not doing an act in relation to his principal affairs or business.

It is an offence just to offer such a gift or other consideration whether or not the offer is accepted or acted upon. The provision or acceptance of cash gifts is strictly prohibited. It should be noted that this is an area that is being closely scrutinised by the FCA and the Serious Fraud Office. All persons are reminded of the Firm's gifts and benefits policy and procedures.

Employees may not request, agree to receive or accept any benefit or other consideration from any person as an inducement or reward for doing or not doing an act in relation to his principal affairs or business.

In the event that such an offer is received, the employee(s) concerned should report that fact to the Senior Compliance Officer ("SCO") immediately.

F. Risk Assessment

The Firm is dedicated to ensuring that it adequately assesses and categorises risk appropriately.

The Firm maintains a risk matrix detailing all the risks to which the Firm is exposed. In assessing the Firm's risk of bribery, it has considered five key areas:

- Country Risk
- Sectoral Risk
- Transaction Risk
- Business Opportunity Risk
- Business Partnership Risk

Transparency International provides information on bribery risk assessment: [Bribery Risk Guide | Transparency International UK](#)

1. Country Risk

The Firm assesses every jurisdiction in which it conducts business against Transparency International's Corruption Perceptions Index ("TI List"). The TI List can be located using the following link: [2021 Corruption Perceptions Index - Explore the... - Transparency.org](#). The Firm also utilises the World Bank's Worldwide Governance Index Indicators from 2018 (particularly the Control of Corruption Category) where the CPI score is not available for a particular country.

Any activities conducted in jurisdictions with a lower score, per the TI List, are categorised as significantly riskier than those with higher scores. The opposite is true of the World Bank's Worldwide Governance Index Indicators.

2. Sectoral Risk

Following on from a Country Risk analysis, the Firm then assesses the risk of bribery in the sector in which it operates for the relevant jurisdiction.

The results of the Country Risk and Sectoral Risk analysis are used to determine a base risk rating.

3. Transaction Risk

The Firm monitors transactions to ensure that riskier transactions are identified and monitored closely for any indications of bribery. This will include any large transactions, a large number of small payments, unusual, complex or secret payments, where there are multiple counterparties, where local government permission is required, etc (whichever applicable).

The Firm ensures that all associated persons are aware that it does not condone any form of bribery and any suspicions of bribery will lead to action by the Firm, including inter alia an audit of their books and possible termination of the contract.

Pursuant to the PNB Procurement Integrity Pact, the Firm's associated persons will be required to execute the Integrity Declaration to reflect the required provisions on corruption.

4. Business Opportunity Risk

The Firm regularly assesses its internal risk of bribery. In order to minimise this risk, the Firm ensures:

- The Board actively express a commitment to reducing the risk of financial crime, including bribery and corruption.
- Physical cash to staff is only provided up to £100 to cover small incidental expenses, and based on documented justification.
- The receipt or giving of cash gifts is strictly prohibited.
- Risk based approvals (based on defined approval limits) are required for third party payments and documentation demonstrating a clear understanding of the supporting justification behind all payments.
- The Risk Register will be regularly reviewed by the Board which includes the Firm's exposure to financial crime risk and the systems and controls in place to mitigate this risk.
- Checks are completed when recruiting new staff members that are proportionate to their respective roles, for example, criminal records checks.
- Annual monitoring of staff's fitness and propriety, including financial soundness.
- The Firm maintains clear and confidential anti-bribery reporting lines.
- Staff members are provided with relevant, understandable and effective training.
- Policies and procedures are reviewed at least annually.

5. Business Partnership Risk

The Firm conducts due diligence on all persons that perform services for the Firm or on the Firm's behalf. In each case, the Firm ensures, prior to transacting any business, that it is satisfied that the **associated person** will not engage in bribery.

The Firm categorises **associated persons** into two categories:

Lower risk – this includes: regulated firms, firms subject to equivalent local rules, and firms with which it has a trading history.

Higher risk – this includes: firms in high risk jurisdictions, unregulated firms, individuals, new start-ups and firms not subject to equivalent local rules.

Pursuant to the PNB Procurement Integrity Pact, the Firm will complete a Due Diligence Risk Assessment Form on each associated person.

G. Due Diligence

1. Purpose

The purpose of conducting due diligence is to collect sufficient and effective information on an associated person, who will provide services for the Firm or on the Firm's behalf, to analyse the risk of bribery when conducting business with that associated person. This should be used to determine a risk rating and the level of monitoring the business relationship requires.

2. Controls

The extent of the controls required will vary depending on the risk the associated person presents, but is likely to include:

- **Sanctions check** – all relevant information obtained should be checked against the HM Treasury sanctions list, and/or the OFAC list where business concerns US persons (e.g. a Delaware feeder). This can be found using the link below: http://www.hmtreasury.gov.uk/fin_sanctions_index.htm and <https://www.treasury.gov/resource-center/sanctions/pages/default.aspx>.
- **Due diligence questionnaire** – this should be carefully drafted to elicit honest responses with information you can verify and use. Common questions include:
 - Identifying the beneficial owners of the associated person, senior management and supervisory personnel servicing your account.
 - Identifying where the associated person operates (i.e. does this include any sanctioned countries).
 - Requests for customer references.
 - Onsite visit where possible.
 - Any relevant judicial or regulatory findings.
 - Any connections with government officials.
 - Enquiring into the associated person's controls to avoid bribery (see below).

Pursuant to the PNB Procurement Integrity Pact, associated persons should be required to complete the Third Party Due Diligence Questionnaire.

- **Clear statement of work** – this should include fees, costs, commissions, etc. It is important to monitor the statement of work to ensure that the business relationship does not stray from this without reasonable explanations, which must be verified. It is important that the agreed statement of work is in line with the market norms, both to ensure that the Firm is getting good value and that there is not a significant excess which could represent bribery.
- **Research** – good sources of independent information include internet searches, local relevant authorities, business contacts, etc.

- **Follow up** – any information received should always be followed up and verified to the greatest extent possible. It is unlikely that a firm which obtains information but fails to do anything with it will be treated much differently to a firm that does no due diligence. Examples of good follow-up include checking references, obtaining copies of associated person's anti-bribery policies and procedures, examples of employment contract/contractual provisions, etc.
- **Commitment to anti-corruption** – part of good due diligence is determining whether an associated person has a serious commitment to anti-corruption. This may, where possible, mean obtaining a copy of the associated person's anti-bribery policy, although not every jurisdiction will require firms to have such a policy. You should also enquire about any training individuals receive, governance statements, hiring processes, etc. It is again important to verify any information obtained.

Associated persons are required to complete the Procurement Integrity Declaration Form and the receipt and acknowledgement of the PNB Group Anti Bribery and Corruption Policy Statement and PNB Group Code of Business Ethics.

- **Commercial awareness** – should be aware of what is the prevailing commercial practice or market norms, as well as the details of the business relationship to be entered into and associated risks. For example, if operating in a foreign jurisdiction, it is important to consider whether local agents are truly required, the expertise of the agent, whether the agent will be engaging with the local government, and whether the fees incurred are reasonable and can be justified.
- **Review** – only completing due diligence at the start of a business relationship is insufficient. This should be an ongoing process, reviewed regularly. High risk associated persons will require due diligence on a more frequent basis than those with a lower risk rating. High risk associated persons should be reviewed on an **annual basis** and low risk associated persons every **two years**.

H. Employee Obligations

The Firm requires all employees to comply with its policies and procedures on bribery and corruption. Any breach of such provisions may result in disciplinary action by the Firm and potentially criminal prosecution. The relevant procedures have been incorporated into the Compliance Manual, which shall be attested annually by all employees. Appropriate training will also be arranged periodically to refresh and enhance employees' understanding on the Firm's bribery policies and procedures.

All employees must report any concerns or suspicions of actual, attempted or suspected bribery to the SCO. All reports will be fully investigated and reported to the Board.

It is important that you do not discuss your concerns or suspicions with anyone other than the SCO, regardless of their seniority. The **only** exception is if your concerns relate to the SCO - in these circumstances you should discuss your concerns with a Director of the Firm.

I. On-going Monitoring

The Governing Body have appointed the SCO to take overall responsibility for the implementation and continued monitoring of the Firm's anti-bribery policy. The SCO will review the policy annually as part of the Compliance Monitoring Programme, and report to the Board on its adequacy and effectiveness, including any updates and/or action deemed necessary.

PNB

Organisational Anti-Corruption Plan of the PNB Group 2025 - 2028



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Leadership Mandate

PNB was incorporated on 17 March 1978 to promote Bumiputera share ownership and develop employment opportunities for Bumiputera professionals in the corporate sector. From the first unit trust fund launched for Bumiputeras in 1981 and the first one open to all Malaysians, ASM 2 Wawasan in 1996, PNB has to date steadily expanded its portfolio to 18 unit trust funds. At present PNB manages investments from more than 16 million account holders who entrusted their hard-earned savings to PNB, to invest on their behalf.

PNB upholds this trust above all and continues carrying the legacy of PNB's founding leaders widely known for their high level of integrity. Members of the Board of Directors of PNB together with all staff members of PNB are fully committed to strive and achieve the mission of PNB in enhancing the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

This second installation of Organisational Anti-Corruption Plan of the PNB Group 2025 – 2028 (OACP) is part of our continuous efforts to reinforce the sustained trust of Malaysians and our on-going commitment in supporting the Government's call for integrity to be a key component to drive the 12th Malaysia Plan (2021–2025) and 13th Malaysia Plan (2026 – 2030).

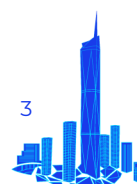
The OACP is an integrated anti-corruption plan, to be adopted and implemented by the internal stakeholders of PNB Group. It outlines potential risks related to governance, integrity and corruption within the Group and shall be the main reference and guide on issues relating to the prevention of corruption. The focus areas are based on the five T.R.U.S.T principles of adequate procedures, as stipulated in the Guidelines on Adequate Procedures Pursuant to Subsection (5) of Section 17A Under the Malaysian Anti-Corruption Commission Act 2009 released by the Prime Minister's Department. A total of 19 identified strategic objectives and 27 initiatives are contained therein.

Being an institution that is internationally certified under ISO 37001:2016 Anti-Bribery Management Systems (ABMS), commitment and support are crucial in ensuring the successful implementation of this OACP. Integrity has been ingrained in the DNA of PNB all these years and this new OACP serves to reinforce and strengthen our existing systems.

This OACP has been formulated specifically for PNB Group and derived from Adequate Procedures Best Practice Handbook, with the support of internal stakeholders throughout the organisation. Additionally, this OACP was also benchmarked against other companies' anti-corruption plans to ensure relevant industry best practices are met.

The strategies and initiatives outlined in this OACP are the results and outcomes of various discussions, consultations and engagements with the internal stakeholders on identifying the appropriate action plans.

Let us all #teamPNB pledge to ensuring that all the 19 identified strategic objectives and 27 initiatives in this OACP are successfully implemented and operationalised within the stipulated timeframe. The onus is on us to inculcate the best practices in delivering our services to our stakeholders, through compliance with the applicable rules, regulations and policies via transparency, integrity and sound business practises.



Abbreviations and Definitions

Abbreviations	Definitions
ABC	Anti-Bribery and Anti-Corruption
ABMS	Anti-Bribery Management Systems
ASNB	Amanah Saham Nasional Berhad (Company No. 197901003200 (47457-V))
BCC	Compliance Committee of PNB Group of the Board of Directors of PNB
BOD	Board of Directors of PNB
BU	Business Unit
CIgO	Chief Integrity Officer
CRM	Corruption Risk Management
MACC	Malaysian Anti-Corruption Commission
MCC	Management Compliance Committee
OACP	Organisational Anti-Corruption Plan of the PNB Group
PGCE	President & Group Chief Executive
PNB	Permodalan Nasional Berhad (Company No. 197801001190 (38218-X))
PNB Group	PNB and/or the following entities: (a) ASNB; (b) Pelaburan Hartanah Nasional Berhad (Company No. 198801008611 (175967-W)); (c) PNB Merdeka Ventures Sdn Bhd. (Company No. 200001015384 (517991-A)); (d) PNB Research Institute Sdn. Bhd. (Company No. 198501007000 (139442-U)); and (e) Any other company and/or entity sanctioned by the BOD.
SC	Securities Commission Malaysia

Chapter 1: Introduction

1.1 Background

PNB was established on 17 March 1978, as one of the instruments of the government's New Economic Policy (NEP). PNB has a legacy deeply rooted in our nation's history. Over the past 45 years, PNB has grown to become one of the largest fund management companies in Malaysia, dedicated to enriching the lives of the Bumiputera community and all Malaysians, in the pursuit of the nation's prosperity.

The purpose of PNB Group is to uplift the financial lives of Malaysians across generations with the mandate to enhance the economic wealth of the Bumiputera community and all Malaysian for the prosperity of the nation.

This can be achieved by maintaining high levels of professionalism, discipline and prudence in formulating investment strategies with full support from the internal and external stakeholders to ensure consistency in performing investment and fund management functions.

In upholding good corporate governance, various efforts and initiatives have been established by PNB which among others include the establishment of Sustainability Framework in response to the change in global investment landscape. Its aspirations are underpinned by three ESG pillars i.e. Environment, Social and Governance. Additionally, PNB has established Stewardship Framework which also promotes good governance and outlines the following four key areas:

- Best-practice Board governance
- Sustainable returns through organisational health
- Value-adding partner to investee companies and co-investors
- Disciplined capital deployment with high performance expectations

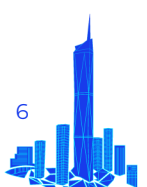
PNB reached a momentous milestone on 6 April 2021 when it was certified for its achievement in ISO37001:2016 ABMS certification. This was soon followed by ASNB with its own certification for ISO37001:2016 ABMS on 13 December 2021.

As per the requirements stated in the ISO37001:2016 ABMS and in addition to assist PNB Group in achieving its vision and embrace its anti-bribery and anti-corruption principle of **"A Corruption-Free Business Environment"**, this OACP is established with the following objectives:

- To identify weaknesses within the existing controls that may present opportunities for corrupt practices to occur.
- To establish a method that best suits to manage, handle, enforce, evaluate as well as to improve anti-corruption measures effectively.
- To help PNB Group implement reasonable and proportionate measures designed to prevent, detect, and respond to bribery and comply with anti-bribery laws, and voluntary commitments applicable to its activities.
- To assist in mitigating the corruption risks faced by PNB Group.
- To demonstrate to the stakeholders that PNB Group has adequate anti-corruption measures and initiatives in place.
- To ensure the performance of business activities in PNB Group is in line with the OACP strategy and goal towards a Corruption-Free Business Environment.
- To promote better corporate governance and legal compliance.

1.2 Potential Issues and Challenges

Among the potential issues and challenges that may be encountered by PNB Group in fighting against corruption are depicted in the following diagram:



1.3 Data Analysis



Surveys and Statistics

Internal and External Statistics

Types of Survey and Statistics	Status
General complaints received by Communications, PNB	All complaints emails received from Public Affairs/Communications are on request and complaints of general matters in nature. All other emails received via PNB email, were forwarded to the respective BUs/ entities.
Letters/calls and emails received by ASNB & its Agents	Any complaints from ASNB customers would be forwarded to the attention of ASNB Operations, Customers Service Unit, ASNB.
Online training	On-going

Publication and Social Media

Electronic and Traditional Media

Negative public perception arising from potential interference by invisible hands and political influence

Reports

MACC, Domestic Inquiry and Complaints

Observation and Experience

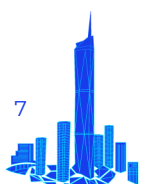
Prior Experience and Work Observation

Observation and detection by Integrity includes detection and confirmation by HR and Integrity (normal investigation / enquiry)

General Findings

Most of the reports published on PNB on the social media was mainly relating to its investment matters.

Internal Audit findings were mainly on requirements to have the governance reform i.e. to ensure good policies and practices in promoting transparency and accountability.



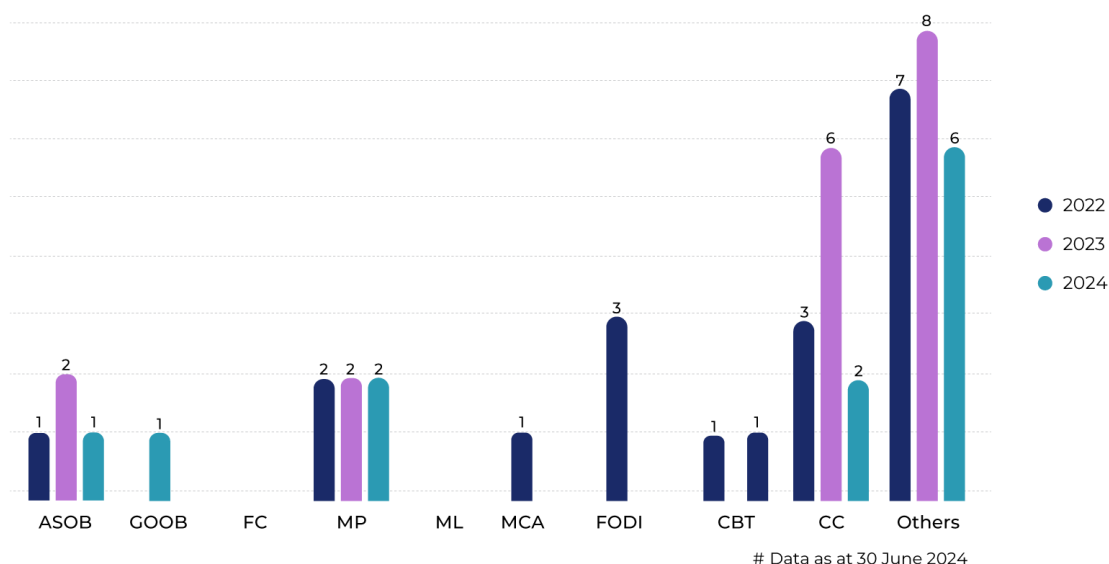
1.3.1 Internal Data

i. Breakdown of Complaints in PNB Group by Category for the Year 2022 - 2024

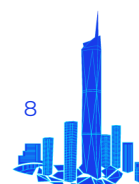
Type of Cases	2022	2023	2024#
Accepting & Soliciting of Bribes (ASOB)	1	2	1
Giving & Offering of Bribes (GOOB)	0	1	0
False Claims (FC)	0	0	0
Misuse of Positions (MP)	2	2	2
Money Laundering (ML)	0	0	0
Misuse of Company Assets (MCA)	1	0	0
Falsifying Organisational Data or Information (FODI)	3	0	0
Criminal Breach of Trust (CBT)	1	0	1
Administration - Code of Conduct (CC)	3	6	2
Administration - Others	7	8	6
Total	18	19	12

Source: Integrity Complaint Management Register
Data as at 30 June 2024

Breakdown of Complaints by Category 2022 - 2024



The chart above shows the breakdown of complaints in PNB Group by category for the three-year period in 2022 - 2024 which showed that in 2023, there were a slight increase in complaints compared to 2022; in particular, relating to complaints on breaches of the Code of Conduct of Employee Handbook. Other categories, such as "Accepting & Soliciting Bribes," "False Claims," and "Money Laundering," have remained relatively stable with minimal fluctuations.

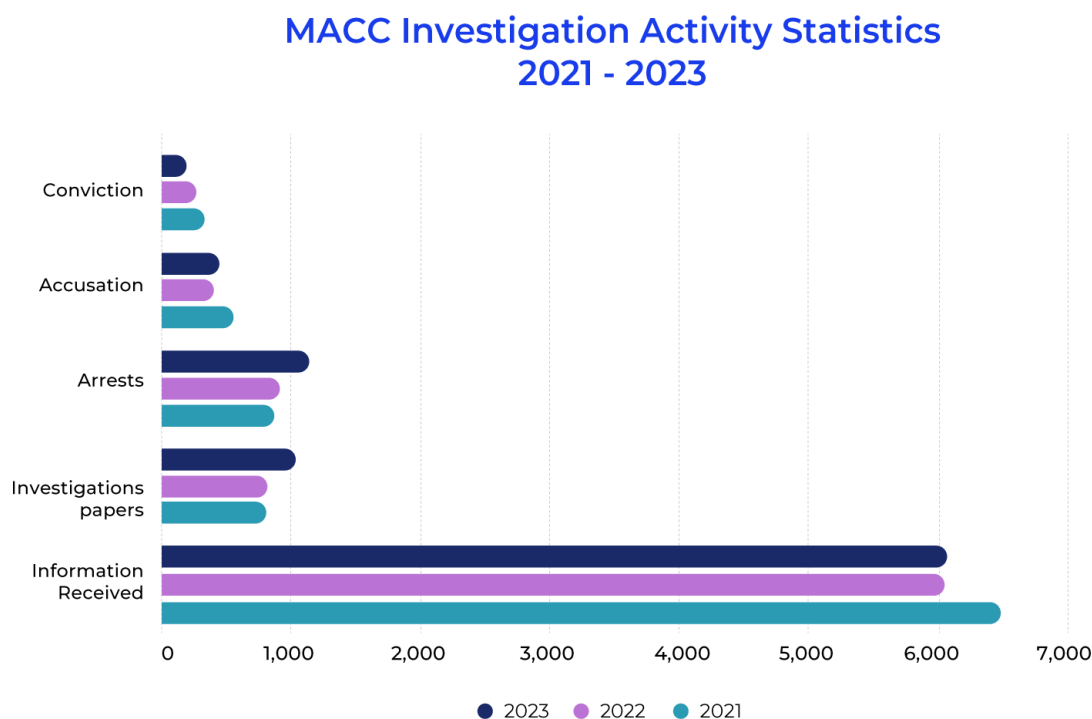


1.3.2 External Data

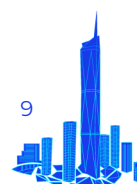
i. MACC Investigation Activity Statistics for the Year 2021 - 2023

Category	2021	2022	2023
Information Received	6463	6028	6040
Investigation Papers	828	820	1026
Arrests	851	909	1137
Accusation	525	390	446
Conviction	300	255	185
Total	8,967	8,402	8,834

Source: MACC Official Instagram Page



The chart above illustrates MACC's investigation activities from various perspectives between 2021 and 2023. Overall, the following activities, i.e. investigation papers and arrests showed an upward trend during this period, reflecting a heightened commitment to combating corruption in Malaysia by MACC.

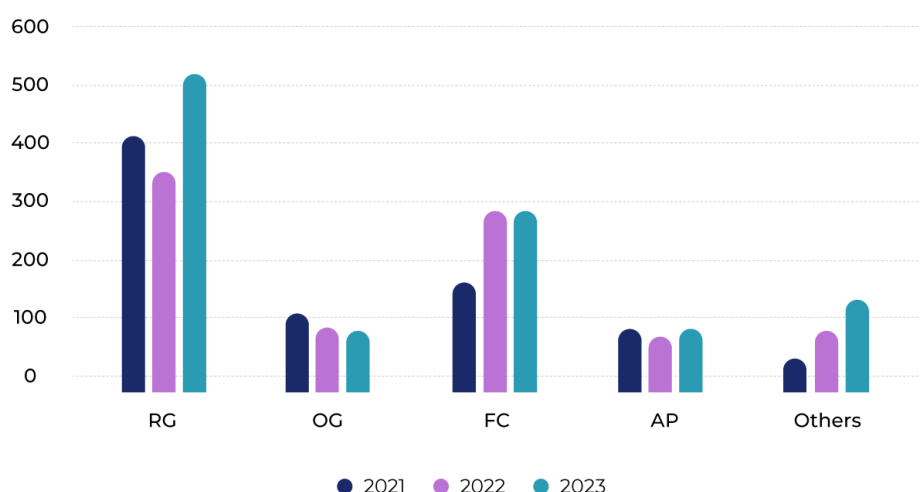


ii. Arrests Based on Type of Offences for Year 2021 - 2023

Category	2021	2022	2023
Receiving Gratification (RG)	419	354	527
Offering Gratification (OG)	115	92	86
False claims (FC)	175	292	293
Abuse of power/position (AP)	89	79	90
Other offences	52	92	141
Total	850	909	1137

Source: MACC

Arrests Based on Type of Offences 2021 - 2023



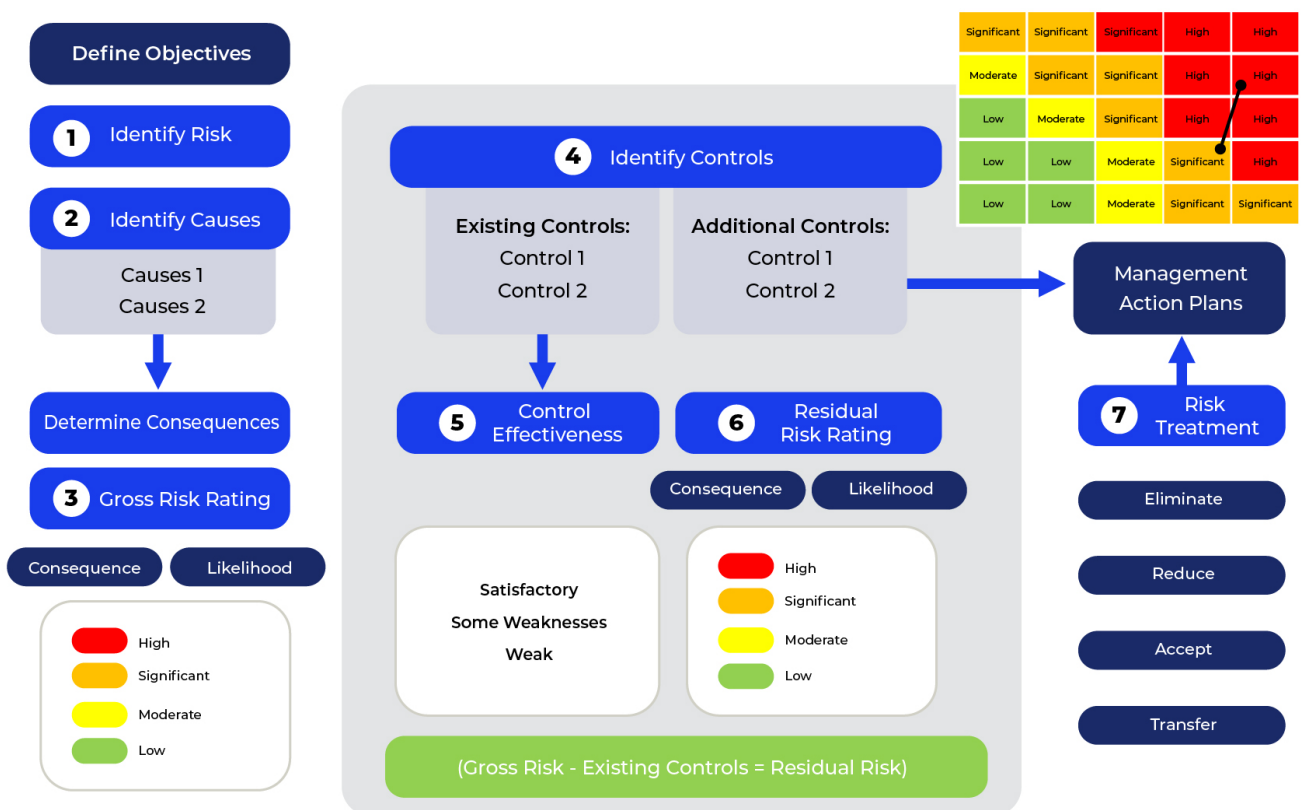
The chart above provides a breakdown of arrests made by the MACC from 2021 to 2023, categorised by the types of offences involved. The data reveals that the most common offence leading to arrests was “Receiving Gratification” (RG), accounting for approximately 45% of all arrests during this period. False claims (FC) and Offering Gratification (OG) were the next most frequent offences, with percentages of 26% and 10% respectively.

1.4 Corruption Risk Management

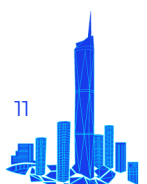
PNB Group has implemented CRM as one of the efforts in mitigating the corruption risk within the organisation by identifying weaknesses that may expose opportunities and chances for corruption to happen. Corruption risk has been identified by BUs using the prescribed corruption risk register form which is aligned with the enterprise risk register.

Consequently, each of the corruption risk was addressed with inclusion of several identified initiatives which include strengthening the existing controls, enhancement in monitoring the operationalisation of policies and procedures, establishment of new controls and introducing new methods to detect corruption or misconduct that may cause a particular risk. These identified initiatives have been compiled and adopted as part of the anti-corruption efforts outlined in this OACP.

Below is the illustration of the CRM process which provides a framework for BUs in PNB Group in identifying risk factors and treatments, and embedding prevention as part of the efforts to fight corruption:



Note: The CRM processes have been adapted and modified to be in line with the Enterprise Risk Management of PNB Group.



1.5 Priority Areas

- 1.5.1 The following priority areas which are adopted by PNB Group in formulating the OACP Framework are based on the five principles of Adequate Procedures:



Top Level Commitment

Top level management is responsible for ensuring PNB Group practices the highest levels of integrity and ethics, complies with laws and regulatory requirements related to the prevention of corruption, and effectively manages the key corruption risks.



Risk Assessment

To conduct corruption risk assessment periodically and when there is a change in laws or circumstances of the business to identify, analyse, assess, and prioritise the internal and external corruption risks.



Undertake Control Measures

To ensure appropriate controls and contingency measures are in place, to address any corruption risk arising from weaknesses in the governance framework, processes and procedures.



Systematic Review, Monitoring and Enforcement

To ensure regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced.



Training and Communication

To develop and disseminate internal and external trainings, and communications relevant to its anti-corruption management system, in proportion to its operation, which cover the policy, training, reporting channel and consequences of non-compliance.

Chapter 2: Scenario Planning

2.1 Future Anti-Corruption Scenario

Scenario planning is the strategic planning method used to make flexible long-term plans. The method assumes what the future is going to be and how the business environment will change over time. It identifies a specific set of uncertainties of what might happen in the future of the business.

Below are some of the anti-corruption scenarios that are seen to have a major impact on the strengthening of governance and organisational efforts to fight corruption.



Source: National Anti-Corruption Plan (NACP) 2019 - 2023

Chapter 3: OACP Framework

3.1 The Need for a Framework

PNB Group has set a clear goal to achieve its vision to support the direction towards Corruption-Free Business Environment with establishment and implementation of sustainable anti-corruption efforts. Therefore, this OACP which has been developed will be able to drive towards transparency by applying the principles of integrity and accountability in all systems and procedures at the PNB Group.

The implementation and enforcement of this initiative will be able to increase the level of transparency and integrity of the PNB Group, as well as the positive perception of our stakeholders. Hence, this OACP has outlined a comprehensive framework in the fight against corruption.

3.2 Purpose, Mandate and Shared Values

3.2.1 Purpose & Mandate

Purpose	To uplift the financial lives of Malaysians across generation.
Mandate	To enhance the economic wealth of the Bumiputera community and all Malaysians for the nation's prosperity.

3.2.2 Shared Values

We are

B.R.A.V.E



Bold

We strive to push the boundaries of what is possible.



Responsible

We take ownership and we do what we say we are going to do.



Agile

In a fast-changing world, we never stop moving.



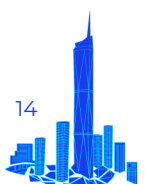
Visionary

Our foresight and expertise inspire a better future.



Empowering

We work together, supporting each other to deliver on our shared goals.



3.3 Strategic Plan

Refine LEAP-6 is PNB's comprehensive strategic plan for 2025-2027, designed to guide the organisation toward sustainable growth and excellence. The plan is built upon six foundational pillars, each contributing to PNB's overall success.

LEAP-6

Sales and Distribution

Connect Emotionally,
Serve Perfectly



1 Enhanced customer segmentation to achieve the target of +RM5 bil net new funds by 2027.

LEAP-6

Investment

Deliver Returns




2 A higher return target for ASNB and the other FP funds whilst continuing to diversify risk, to better meet unit holder expectations.

LEAP-6

PNB Co Transformation

Strengthen
and Rebalance




3 Focus will be on rebalancing the portfolio and rebuilding its financial position, thus enabling PNB to sustainably fulfil its key roles.

LEAP-6

Knowledge

Learn and Grow



4 To have an enriching learning culture that enhances employees' capabilities and productivity.

LEAP-6

Innovation

Fail Fast, Learn Faster



5 Continuous delivery of productive innovations; and cultivates a culture of exploration centre around customer needs, experimentation and collaboration.

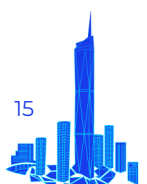
LEAP-6

Sustainability

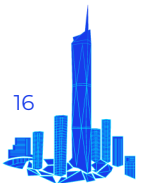
Deliver Our 10 Commitments



6 PNB is steadfast in our resolve to integrate sustainability into our operations and to implement robust Environment, Social and Governance framework.



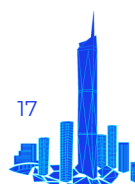
3.4 Strategies & Initiatives



Priority Area 1: Top Level Commitment

Strategy 1: Provide assurance to the internal and external stakeholders that the organisation is operating in compliance with applicable regulatory requirements, internal policies and procedures.

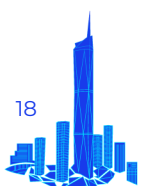
Objective			Initiatives / Action Plans	Responsibility	Milestone
1.1	Compliance to the Guidelines on Corporate Governance for Capital Market Intermediaries and the Guidelines on Conduct for Capital Market Intermediaries of SC.	1.1.1	To maintain, and periodically review the level of compliance with Guidelines on Corporate Governance for Capital Market Intermediaries and the Guidelines on Conduct for Capital Market Intermediaries of SC and/or other guidelines, guides, circulars issued by SC or any regulatory bodies or governance body.	<ul style="list-style-type: none"> • BOD • PGCE • Head of BUs 	Continuous Initiative
1.2	Continuous effort and initiative to comply with PNB Stewardship & Sustainability Framework.	1.2.1	To maintain and periodically review the PNB Stewardship and Sustainability Framework and Voting Guidelines and enhance the policy where applicable.	<ul style="list-style-type: none"> • BOD • PGCE • Head of BUs 	Continuous Initiative
1.3	Review of Integrity Charter and Framework of the PNB Group.	1.3.1	To review the Integrity Charter and Framework of the PNB Group as part of continuous efforts in ensuring full compliance with the provisions under applicable rules and regulations and its associated guidelines and procedures.	<ul style="list-style-type: none"> • BOD • PGCE • Integrity / CIGO 	Q2, 2025
1.4	Review of ABC Policies of the PNB Group.	1.4.1	To maintain and periodically review the ABC Policies of the PNB Group including but not limited to the following: <ul style="list-style-type: none"> i. ABC Policy Statement; ii. Code of Business Ethics; iii. Whistleblowing Policy; and iv. Procurement Integrity Pact. 	<ul style="list-style-type: none"> • BOD • PGCE • Integrity / CIGO 	Continuous Initiative
1.5	Annual audit of ISO 37001:2016 ABMS for PNB and ASNB.	1.5.1	To implement adequate procedures, ABMS programme and effective systems for managing and monitoring risks relating to corruption as per the standards of ISO37001:2016 ABMS.	<ul style="list-style-type: none"> • BOD • PGCE • Head of BUs • Integrity / CIGO 	Continuous Initiative
1.6	Promoting and strengthening integrity culture among stakeholders of the PNB Group.	1.6.1	To ensure there are Integrity Representatives in every BUs, with stipulated functions in the job description of the relevant employees.	<ul style="list-style-type: none"> • Integrity / CIGO • Head of BUs 	Continuous Initiative
		1.6.2	To hold a regular and structured training and awareness programmes, to raise awareness on integrity and anti-corruption including but not limited to Integrity, Risk, Audit and Compliance (IRAC) Week, PNB Integrity Solidarity Group and GLIC Integrity Event.	<ul style="list-style-type: none"> • BOD • PGCE • Integrity / CIGO 	Continuous Initiative



Priority Area 2: Risk Assessment

Strategy 2: Conduct corruption risk assessment periodically, and identify, analyse, assess and prioritise the internal and external corruption risks of the organisation.

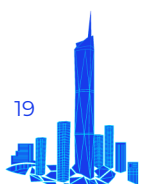
Objective			Initiatives / Action Plans	Responsibility	Milestone
2.1	Continuous Annual Review of CRM.	2.1.1	To conduct annual review of Corruption Risk Assessment of each BUs via Enterprise Risk Management System.	· Integrity / ClgO · Head of BUs	Continuous Initiative
		2.1.2	To establish a system procedure (SOP) on the walk-through briefing on the annual assessment of CRM for all BUs.	· Integrity / ClgO	Q2, 2025
2.2	Minimising the risk of corruption in the new business.	2.2.1	To execute necessary evaluation process on relevant business proposals, in line with the related policies and procedures including due diligence process to determine the risk rating of the third parties.	· Procurement · Head of BUs · Compliance · Integrity	Continuous Initiative
2.3	Reporting to BCC on the results of the CRM.	2.3.1	To report the results of CRM to BCC with action plans included.	· BOD · Integrity / ClgO	Continuous Initiative



Priority Area 3: Undertake Control Measures

Strategy 3: Establish the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of the organisation.

Objective			Initiatives / Action Plans	Responsibility	Milestone
3.1	Due diligence considerations and criteria.	3.1.1	To conduct due diligence using the established prescribed format on any relevant parties or personnel including as BOD, new hire, agents, vendors, contractors, suppliers, and consultants, prior before entering into any formalised relationships.	<ul style="list-style-type: none"> • Procurement • Head of BUs • Compliance • Integrity 	Continuous Initiative
3.2	Whistleblowing channels reporting.	3.2.1	To maintain, monitor and take appropriate actions on complaints submitted by internal / external parties be it concerns about real or suspected corruption incidents.	• ClgO	Continuous Initiative
		3.2.2	To continuously review the Whistleblowing Policy of the PNB Group to ensure relevance and appropriateness.	• Integrity / ClgO	Continuous Initiative
3.3	Maintaining high standards in PNB's corporate governance.	3.3.1	To execute the various integrity declarations for the execution of respective stakeholders within PNB Group.	<ul style="list-style-type: none"> • Head of BUs • Integrity / ClgO 	Continuous Initiative
3.4	Training and awareness programme for staff members relating to integrity matters.	3.4.1	To monitor and review where applicable the Employee Handbook of PNB particularly the Code of Conduct chapter.	• Human Capital	Continuous Initiative
		3.4.2	To monitor and review the training needs and awareness programme for staff members to ensure topics relating to integrity, ethics and corruption prevention are provided and covered.	<ul style="list-style-type: none"> • Human Capital • Integrity 	Continuous Initiative
3.5	Strengthening the operations of ASNB Agents in accordance with the established benchmarks.	3.5.1	To conduct regular monitoring and review on the performance of ASNB agents via the established scorecard to ensure their compliance with the relevant policies and procedures.	• Sales, ASNB	Continuous Initiative

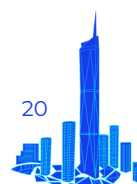




Priority Area 4: Systematic Review, Monitoring and Enforcement

Strategy 4: Conduct regular reviews to assess the performance, efficiency and effectiveness of the anti-corruption programme, and its enforcement.

Objective			Initiatives / Action Plans	Responsibility	Milestone
4.1	Annual Review Plan for the Anti-Corruption Programme.	4.1.1	To ensure review of anti-corruption programme are conducted regularly in ensuring conformance to the requirements of relevant international standards, internal policies and procedures, as well as regulators.	· Integrity / ClgO · Internal Audit	Continuous Initiative
		4.1.2	To ensure review of the anti-corruption programme by a qualified and independent party, i.e. external auditor are conducted regularly in order to be aligned with best practices and international standards.	· Integrity / ClgO · Internal Audit	Continuous Initiative
4.2	Monitoring of anti-corruption programme.	4.2.1	To monitor all BUs on the adoption of necessary initiatives, including continuous education and training relating to integrity, ethical and corruption prevention matters.	· Integrity / ClgO · Head of BUs	Continuous Initiative
4.3	Enforcement of Consequence Management Framework.	4.3.1	To execute consequence management framework on staff members who are found to be non-compliant to the programme.	· Human Capital · Compliance	Continuous Initiative

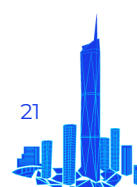




Priority Area 5: Training and Communication

Strategy 5: Develop and disseminate internal and external training and communications relevant to its anti-corruption management system.

Objective			Initiatives / Action Plans	Responsibility	Milestone
5.1	Providing adequate training in strengthening and enhancing integrity and transparency culture within the PNB Group.	5.1.1	To conduct integrity awareness programme for the BOD, employees and business associates, on the ABC Policies of the PNB Group via: i. K-Hub; ii. Survey & quizzes; iii. Corporate training programme, seminar and in-house courses; iv. Induction Day (new hire); and v. iRAC.	· Integrity	Continuous Initiative
		5.1.2	To execute Integrity Training Module for all employees of the PNB Group.	· Integrity	Continuous Initiative
		5.1.3	To collaborate with other organisations within PNB investee companies dedicated to increasing awareness about anti-corruption initiatives and advocating for ethical practices.	· Integrity	Continuous Initiative
5.2	Communication of ABC Policies.	5.2.1	To send consistent and frequent reminders of the ABC Policies of the PNB Group to all employees via email blasts.	· Integrity	Continuous Initiative
		5.2.2	To communicate the ABC Policies of the PNB Group to business associates with a strong emphasis of the organisation's stand on cultivating a culture of integrity.	· Integrity	Continuous Initiative



Chapter 4: Implementation, Monitoring and Evaluation

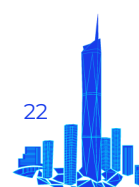
4.1 Implementation Framework

- PNB has implemented three lines of defence model for the management of all risk classes, including integrity-related and corruption risk.
- This model is essential for the effective operation and implementation of the Integrity Charter and Framework.



The model distinguishes among the following functions:

- Functions that own and manages corruption risk (**First Line of defence**)
- Functions that oversee corruption risks and controls (**Second Line of defence**)
- Functions that provide independent assurance to Senior Management and the BOD (**Third Line of defence**)





4.2 Monitoring and Evaluation

In monitoring and evaluating the OACP, the following modes are adopted:



1

Present progress report on the OACP to the MCC, BCC and BOD every quarter.



2

Review and reassess the OACP implementation towards its effectiveness every year.



3

Issuance and Renewal of New OACP at the end of the tenure and new issuance in the subsequent year.



Chapter 5: Conclusion

The achievement of the various initiatives in this OACP will highly depend on the commitment of PNB's leadership, support and participation from members at all levels in PNB Group. Other crucial factors that contribute to this success are strong policies and procedures, effective communication, strong compliance and integrity culture, and capable and adequate resources.

All leaders at every level shall demonstrate "tone from the top" i.e. PNB's stance against the use of corrupt practices in relation to the business activities and spearhead the efforts to improve upon the effectiveness of the corruption risk management framework, internal control system, review and monitoring, and training and communication. They shall be able to mobilise and inspire their subordinates towards realising the objectives of the OACP.

Effective communication is one of the effective strategies for building integrity culture in all activities undertaken by an organisation. Hence, all initiatives described in this OACP are expected to assist PNB Group in mitigating the potential risk of corruption that may arise and it will be reviewed and enhanced, if required, depending on its relevancy and outcome of the implementation plans.

PNB GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT



PNB

Permodalan Nasional Berhad

Version: 3/2022

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INTRODUCTION

1. Introduction

- 1.1 Permodalan Nasional Berhad (Company No. 197801001190 (38218-X)) (“PNB”) and its group of companies (collectively, “PNB Group”) are committed to applying the highest standards of integrity and ethical conduct in all our business activities and operations. Fighting bribery and corruption is the responsibility of everyone in the organisation and setting the standard for anti-bribery and anti-corruption is part of the responsibilities of the Board of Directors, senior management, and employees of PNB Group.
- 1.2 PNB Group adopts a **Bribery-Corruption Free Business Environment** from any forms of bribery and corruption and takes a stern stance against such acts.
- 1.3 Hence, it is important that the PNB Group complies with and conducts its business in accordance with requirements of all applicable laws, rules and regulations as well as relevant internal policies and procedures.

APPLICATION

2. Application

- 2.1 This PNB Group Anti-Bribery and Corruption Policy Statement (“PNB Group ABC Statement”) shall be read together with the Integrity Charter and Framework of PNB Group, Code of Business Ethics of PNB Group, Whistleblowing Policy of PNB Group, PNB Employee Handbook, and all the internal policies and procedures relating to PNB Group.
- 2.2 This PNB Group ABC Statement is applicable to its Board of Directors and members of the committees of the Board of Directors (collectively known as “Board”), senior management, employees of PNB Group, whether permanent or temporary, stakeholders of PNB Group, as well as its business counterparties (collectively, “Representatives”). It is not intended to provide definitive answers to all questions regarding bribery and corruption, but rather to provide its Representatives with a basic introduction on how PNB Group combats bribery and corruption in furtherance of the PNB Group’s commitment to lawful and ethical behaviour at all times.
- 2.3 In the event of any inconsistency or conflict between the terms of this PNB Group ABC Statement and the law, the law shall prevail. If you perceive that a provision in this PNB Group ABC Statement conflicts with the law in the local jurisdiction where your business operates, you should consult with your Head of Department/Division, Human Capital Division or Integrity Department of PNB.
- 2.4 PNB Group will abide by Malaysian Anti-Corruption Act 2009 (“MACC Act”) and any applicable laws in respect of countering bribery and corruption in all jurisdictions in which PNB Group operates or conducts its business. This includes, and is not confined to, those countries where PNB Group has offices. Additionally, as a licensed institution by the Securities Commission Malaysia (“SC”), PNB will abide by the provisions of the Capital Markets and Services Act 2007 (“CMSA”), the relevant guidelines issued by the SC and all laws in which PNB Group operates or conducts its business.
- 2.5 It is important to remember that even if the country in which an act of bribery takes place does not have anti-bribery laws, the MACC Act and the laws of another country in which PNB Group operates or conducts its business may still apply. Bribery and corruption (or even the perception or an allegation of it):
 - (i) will damage PNB Group’s reputation; and/or
 - (ii) could cost PNB Group significant amounts of money both in respect of potential fines and the time spent in dealing with such issues and may lead to serious penalties on individual members of PNB Group including imprisonment and fines, or even the forfeiture of critical operating licenses and permits.

FAILURE TO COMPLY WITH THIS PNB GROUP ABC STATEMENT

3. Failure To Comply With This PNB Group ABC Statement

3.1 Engaging in bribery or corrupt practices can have severe consequences for you and PNB Group. You may face dismissal, fines and imprisonment, and PNB Group may face damage to reputation, financial loss and disbarment from business and other negative consequences. As for business counterparties, they may face termination, discontinuation, suspension of, or withdrawal from any business relationship.



OUR COMMITMENTS

4. Our Commitments

4.1 PNB Group is committed to:

- (i) upholding anti-bribery laws and securities laws that apply to PNB Group, including without limitation, the MACC Act as well as the CMSA;
- (ii) not offering bribes or condoning the offering of bribes on PNB Group's behalf;
- (iii) not accepting bribes, or agreeing to them being accepted on PNB Group's behalf;
- (iv) maintaining accurate books and records for all business dealings;
- (v) making sure that PNB Group's Representatives are aware of and abide by PNB Group's values and policies;
- (vi) complying with the regulatory requirements including satisfying the Anti-bribery Management System ("ABMS"), and internal policies and procedures with regards to bribery and corruption;
- (vii) avoiding doing business with or affiliating PNB Group with others who do not accept PNB Group's values and policies, and who may harm PNB Group's reputation;
- (viii) performing ongoing monitoring of and auditing compliance with these principles;
- (ix) encouraging raising of concerns via the established whistleblowing channels and as per the Whistleblowing Policy of PNB Group;
- (x) performing continual improvement of its policies and procedures pertaining to bribery and corruption matters including its ABMS; and
- (xi) establishing and maintaining the authority and independence of the anti-bribery compliance function which is positioned independently from business units in the organisation and reports directly to the Board of Directors.

WAIVER AND REVIEW OF PNB GROUP ABC STATEMENT

5. Waiver and Review of PNB Group ABC Statement

- 5.1 This PNB Group ABC Statement shall be reviewed every three years and/or updated when any key changes or modifications are required to ensure its relevance, adequacy and compliance with the requirements of all applicable laws. Any deviation or waiver from this PNB Group ABC Statement must be approved either by the Board, or Compliance Committee of the PNB Group of the Board of Directors of PNB.



INTEGRITY CHARTER AND FRAMEWORK OF THE PNB GROUP

Version: 2/2021
Date: 03 May 2021
Owner: Integrity Department

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1 OVERVIEW

1.1 Introduction

- 1.1.1** The Integrity Charter and Framework of the PNB Group (“the Charter and Framework”) sets out the approach of the PNB Group to uphold integrity and good governance and management of corruption risk.
- 1.1.2** PNB, being a Government-Linked Company (“GLC”) is required to comply with the Directive issued by YAB Prime Minister dated 5 October 2018, (“Directive”) on the requirement to establish an integrity unit within two years from the date of the Directive.
- 1.1.3** MACC as the responsible entity overseeing the establishment of integrity units of the GLCs will risk-rate all the GLCs, i.e. high, medium or low. GLCs rated high risk will be recommended to appoint Chief Integrity Officer from MACC whereas medium or low rated GLCs will be allowed to appoint their own Chief Integrity Officer.

1.2 Integrity Philosophy

- 1.2.1** Integrity being part of PNB’s organisational values, is a shared responsibility of all parties within the PNB Group. PNB recognises that integrity culture within the organisation has to be cultivated and has to be managed proactively and effectively to ensure that it is embedded across all business activities of the PNB Group. All parties are required to highlight and escalate matters pertaining to corruption, bribery, misuse of power and embezzlement and any unethical conduct where required.
- 1.2.2** PNB strives to comply with all relevant and applicable legal and regulatory requirements and focuses to ensure that its operations, internal policies and procedures are in line with the said requirements. PNB aims to institutionalise a culture of ethical business practices and clean business environment through effective awareness, educational programme and internal controls.
- 1.2.3** The PNB Group’s approach to manage integrity related risks is to identify, assess, mitigate and continuously monitor corruption risk and to uphold integrity and good governance in all aspect of business transactions and activities without fear and favour.

1.3 Scope of Work and Quality & Improvement

- 1.3.1** The effort to fight against corruption and bribery in PNB are the essential reasons for the formulation of the Charter and Framework. It encompasses the mandate and functions, philosophy, roles and responsibilities and the governance structure for integrity in the PNB Group.
- 1.3.2** This Charter and Framework would ensure that there is a systematic complaint management system to handle matters on corruption and other unethical conduct, verification and detection processes of complaints are executed effectively and in order, integrity strengthening activities are promoted within PNB and integrity governance policies and procedures are implemented effectively.
- 1.3.3** This Charter and Framework shall be applicable in all jurisdictions where the PNB Group has its presence and to all entities defined as the PNB Group in the Definition section. For clarity purposes, the definition of the PNB Group excludes all investee companies.

1.4 Sources of Integrity Regulations

1.4.1 Integrity Department is guided by the following regulations related to integrity:

REGULATIONS	KEY HIGHLIGHTS
DIRECTIVE OF PRIME MINISTER	<p>The Government's initiative to prevent criminal misconduct, corruption and bribery activities amongst civil servants and public agencies is now extended to all GLCs, companies owned by the Ministry and Government agencies and State Government.</p> <p>The Government has agreed for the establishment of Integrity Governance Unit (IGU) in all GLCs under the supervision of MACC.</p> <p>The IGU is to be established within 2 years from the date of the Directive and GLCs are also required to submit reports on their implementation of activities to their respective Board of Directors and MACC every six months.</p>
NATIONAL ANTI-CORRUPTION PLAN 2019-2023	<p>The NACP is an anti-corruption policy of Malaysia that reflects the expectations for a greater corrupt-free nation that promotes transparency, accountability and integrity culture.</p> <p>NACP has identified 6 Component Strategies which leads to 17 Strategic Objectives and in turn produce 115 Initiatives to be implemented for the next 5 years.</p>
STRATEGIC PLAN FOR IGU OF GLC BY MACC	<p>The Strategic Plan for IGU of GLCs sets out the initiatives, infrastructures, functions, governance and reporting required from GLCs in establishing their respective IGUs as specified under the Directive of Prime Minister.</p>
GUIDELINE FOR THE MANAGEMENT OF IGU FROM MACC	<p>The Guideline for the Management of IGU serves as a reference in the implementation of IGU in GLCs.</p> <p>It explains in detailed the roles and responsibilities, core functions and governance management in the establishment of IGU and the competency and qualification required for personnel of IGU.</p>
MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009	<p>The MACC Act is established to promote integrity and accountability of public and private sectors administration and to educate public authorities, officials and members of the public about corruption and its detrimental effects on public and private administration.</p> <p>The MACC Act also describes the scope of powers of MACC in handling corruption and it includes to receive reports on matters pertaining to corruption and this includes reports from GLCs.</p>
GUIDELINES ON ADEQUATE PROCEDURES	<p>The Guidelines on Adequate Procedures was issued by the National Centre for Governance, Integrity and Anti-Corruption (GIACC) to guide companies on the requirements of the five adequate procedures principles, i.e. TRUST, pursuant to the provision of Corporate Liability in the amended section 17A of MACC Act.</p> <p>The new Guidelines will take effect on 1 June 2020, the same time as the Corporate Liability provision.</p>

1.5 Review of Charter and Framework

- 1.5.1 This Charter and Framework will be subject to review once every three years or at such other period deemed necessary and will be communicated to the Compliance Committee of the PNB Group for approval. Pending the review, this Charter and Framework will remain to be in forced.

1.6 Definitions

- 1.6.1 In this Charter and Framework, unless and otherwise stated, the following terms shall be defined as:

Terminology	Definition
PNB Group	Refers to Permodalan Nasional Berhad and the following entities: <ul style="list-style-type: none">i. Amanah Saham Nasional Berhad;ii. Pelaburan Hartanah Nasional Berhad;iii. PNB Merdeka Ventures Sdn. Berhad;iv. PNB Research Institute Sdn. Bhd; andv. Other company/entity sanctioned by the BOD.
Business Units	Business divisions and departments including support functions within the PNB Group
BOD	Board of Directors of PNB
Corruption Risk	For this purpose, Corruption Risk is defined as the impact and likelihood of an event that arise from the activities involving corruption, fraud and malpractices.
Chief Integrity Officer/CiGO	Individual designated by the PNB Group as Chief Integrity Officer, and is a Certified Integrity Officer by MACA
MACA	Malaysia Anti-Corruption Academy

2 INTEGRITY CHARTER

2.1 Mandate and Functions of Integrity Department

- 2.1.1** In line with the shared values upheld by PNB, integrity is fundamental and pivotal to the preservation of the PNB Group's reputation and public perception.
- 2.1.2** Integrity Department shall support PNB, being a GLC, in creating and promoting a culture of abhorring and rejecting corruption, misuse of power and embezzlement and promote a clean and healthy business culture.
- 2.1.3** Integrity Department is mandated to uphold integrity and good governance in all aspects of business transactions and activities of the PNB Group. This is done through the development, coordination and execution of roles and activities as set out in the Charter and Framework.
- 2.1.4** In fulfilling its mandate, it is the objective of Integrity Department to successfully execute the four core functions of integrity in driving operational excellence via sound governance practices. This shall be achieved by performing the following four core functions:

Function	Role
Complaint Management Complaint management is the systematic management of complaint on corruption, bribery, misuse of power, embezzlement, etc. and ensuring that action is taken on every complaint received. It is not limited to supervising and monitoring the management of complaints received until they are resolved, but also its efficiency.	<ul style="list-style-type: none">a) To establish a Complaint Management System;b) To supervise, monitor and manage the receiving of complaints on corruption, bribery, misuse of power, embezzlement, etc. in the organisation;c) To ensure complaints are forwarded to the Detection and Verification process for necessary and appropriate action;d) To ensure complaints on administration or non-integrity related matters are forwarded to the relevant departments for onward action;e) To monitor and oversee records on entry and receipt of reports up to completion;f) To analyse trends/types/categories of complaints received;g) To prepare Complaint Statistics Report periodically for monitoring purposes;h) To build cooperative ties with other departments in the organisation;i) To establish a Whistleblowing Policy to ensure confidentiality of information; andj) To establish a channel to inform enforcement authorities on complaints received.
Detection and Verification Integrity Department is responsible for detecting and verifying complaints on corruption, bribery, misuse of power, embezzlement, etc. following which appropriate action is taken.	<ul style="list-style-type: none">a) Detecting and verifying complaints related to corruption, bribery, misuse of power, embezzlement in the organisation;b) Preparing complete report on the conducted verification together with comments and recommendation on whether the complaint should be forwarded to the relevant enforcement authorities;c) For internal administration issues, the report should be forwarded to the Human Resources Division for further action; andd) For criminal cases, reports on the outcome of detection and verification must be reported directly to the relevant enforcement authorities.

Function	Role
Integrity Strengthening Integrity Department is responsible to ensure that the acculturation, institutionalisation and implementation of integrity can be achieved.	a) To plan, implement and coordinate integrity strengthening programmes to enhance the practice of good values, ethics and integrity in the organisation; b) To monitor, coordinate and analyse the performance and reporting of programmes; c) To prepare articles/inputs of reading materials on integrity strengthening for publication, printing, distribution and promotion to employees; d) To build a strong network with other departments in the organisation.
Governance This function aims towards good governance in the effort to strengthen integrity within the organisation, in addition to dealing with issues on corruption, bribery, misuse of power and embezzlement.	a) To conduct checks and research on policies, systems and work procedures and to suggest improvements; b) To coordinate improvements on relevant procedures and systems; and c) To supervise and ensure the exercise of the best governance mechanism.

2.2 Roles and Responsibilities of Internal Governance

2.2.1 Board of Directors of PNB

- 2.2.1.1 The BOD plays a vital role in shaping the climate and tone of the organisation, whether to place integrity in its rightful place or otherwise, to ensure that the direction of the organisation aligns with Integrity Department's vision and initiatives.
- 2.2.1.2 The BOD holds sole power in the decision and agreement to the establishment of Integrity Department and the implementation of its four core functions stated in the Directive.
- 2.2.1.3 The roles and responsibilities of the BOD are the following:
- To ensure a separate Integrity Department structure that is directly answerable to the BOD so that issues of pressure, isolation, rejection and unreasonable action do not arise;
 - To ensure Integrity Department carries out its core functions;
 - To monitor Integrity Department's performance through reporting, and
 - To issue commands to Integrity Department in an effort to keep it relevant as an entity responsible for preserving integrity in the organization.

2.2.2 Compliance Committee of the PNB Group

- 2.2.2.1 An independent committee formed specifically to monitor the activities of Integrity Department and to assist the BOD in overseeing the overall issue of corruption, bribery, misuse of power and embezzlement within the organisation. Compliance Committee of the PNB Group reports directly to the BOD. The duties of the Compliance Committee of the PNB Group are the following:
- To oversee issues of corruption, bribery, misuse of power and embezzlement within the organisation;
 - To assist the BOD in carrying out its responsibilities towards an organisation free from corruption, with integrity and good governance, in addition to overseeing Integrity Department achieving its objectives.

2.2.3 Head of Organisation

2.2.3.1 The roles and responsibilities of the Head of Organisation are the following:

- a) To ensure adequate allocation on budget, logistics and human resources in Integrity Department for efficient exercise of duties and responsibilities;
- b) To avoid conflict of interest in all exercise of official duties and to lead the organisation towards a work culture engrained with integrity and good governance;
- c) To set a comfortable and harmonious work environment between Integrity Department and other departments in order to build strong cooperation;
- d) To intensify activities that cultivate integrity in the organisation;
- e) To encourage the organisation's workforce to practise work productivity embedded with integrity in their daily business operations;
- f) To ensure all departments cooperate fully with Integrity Department in exercising its functions; and
- g) To ensure the position of ClgO is not vacant for more than one month.

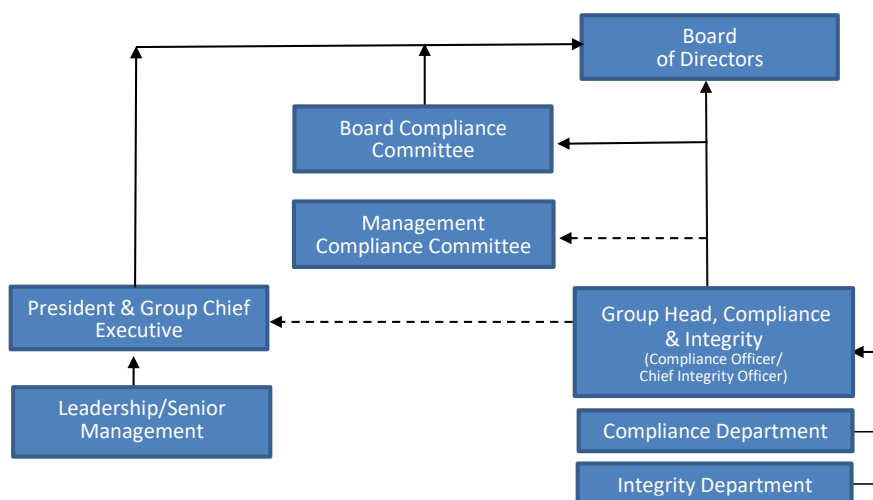
2.2.4 Chief Integrity Officer

2.2.4.1 The roles and responsibilities of ClgO are the following:

- a) To ensure timeliness, expertise and efficiency in the managing the risk of corruption, bribery, misuse of power and embezzlement in the organisation;
- b) To implement the functions of Integrity Department effectively, without influence from any internal or external parties;
- c) To avoid elements of rejection, pressure, isolation, denial or unreasonable action on the organisation's side;
- d) To avoid conflict of interest in any exercise of official duty;
- e) To coordinate, supervise, monitor, and assess the organisation's integrity programmes;
- f) To advise the Head of Organisation in matters involving integrity, corruption and misuse of power;
- g) To prepare an Organisation Anti-Corruption Plan which details the anticorruption action plan in the organisation;
- h) To carry out duties on organisational integrity management from time to time based on the enforced law and regulations;
- i) To carry out benchmarking for integrity programmes in comparison to other organisations for continuous improvement;
- j) To establish good relations within the organisation in order to enhance awareness on corruption, bribery, misuse of power and embezzlement as well as violation of integrity;
- k) To establish a systematic integrity complaint system to ensure action is taken on every report on corruption, bribery, misuse of power and embezzlement;
- l) To supervise the detection and verification on reports of corruption, bribery, misuse of power and embezzlement, following which ensuring appropriate action is taken;
- m) To plan, implement and coordinate integrity enhancement programmes in order to boost ethical and integrity values among employees; and
- n) To ensure good governance is upheld towards strengthening integrity of employees as well as in dealing with integrity issues.

2.3 Governance Structure, Independence and Authority & Access

2.3.1 Governance Structure of Integrity Department



2.3.2 Independence of Integrity Department

2.3.2.1 Integrity Department is positioned independently from Business Units in the organisation. This independent position is amongst others warranted by independent reporting, unrestricted access as well as structural, periodic reporting directly to the Compliance Committee of the PNB Group which is a sub-committee of the BOD and indirectly to the President & Group Chief Executive. The appointment of ClgO is done upon approval of the Compliance Committee of the PNB Group upon consultation with the President & Group Chief Executive.

2.3.3 Authority & Access of Integrity Department

2.3.3.1 Integrity Department is authorised to implement and execute all programmes and activities relating to the enhancement of integrity and complaint management on matters relating to corruption, bribery, misuse of power and embezzlement.

2.3.3.2 Integrity Department shall effectively investigate complaints without influence or interference from inside or outside of the PNB Group.

2.3.3.3 Integrity Department shall have unrestricted access to all information, records, access to business premises of PNB Group and authorisation to speak to any employee about issues relevant to their obligations.

2.3.3.4 ClgO must have the opportunity to attend or submit information to BOD or relevant Committees to raise significant integrity matters.

2.4 Reporting

2.4.1 Introduction

2.4.1.1 ClgO is required to ensure accurate and timely reporting to the Compliance Committee of the PNB Group.

2.4.1.2 ClgO shall have direct reporting line to the Compliance Committee of the PNB Group.

2.4.2 Internal Reporting

- 2.4.2.1 Integrity Department shall report all integrity-related matters to the Compliance Committee of the PNB Group on minimum quarterly basis on the effectiveness of implementation and embedding of the Charter and Framework and other issues.
- 2.4.2.2 Integrity Department must ensure reports are accurate, up-to-date, and on-time.
- 2.4.2.3 Integrity Department shall report incidents and issues to regulators and the Compliance Committee of the PNB Group, as necessary or required.

2.4.3 External Reporting

- 2.4.3.1 Integrity Department shall facilitate the reporting of integrity matters to regulators and other enforcement agencies.
- 2.4.3.2 Integrity Department must ensure that reports submitted are accurate, up-to-date, and on-time.

3. INTEGRITY FRAMEWORK

3.1 Introduction

3.1.1 PNB is subjected to a high-level of integrity commitment as a GLC of Malaysia, and is expected to institutionalise a culture of ethical and clean business activities and operations and to promote transparency and accountability. As the PNB Group continues to grow and develop, its integrity-related risk profile will also continue to evolve, further increasing exposures to new risks.

3.1.2 In order to effectively manage integrity-related risks and obligations, the PNB Group has implemented an Integrity Framework, which consists of the following key components:

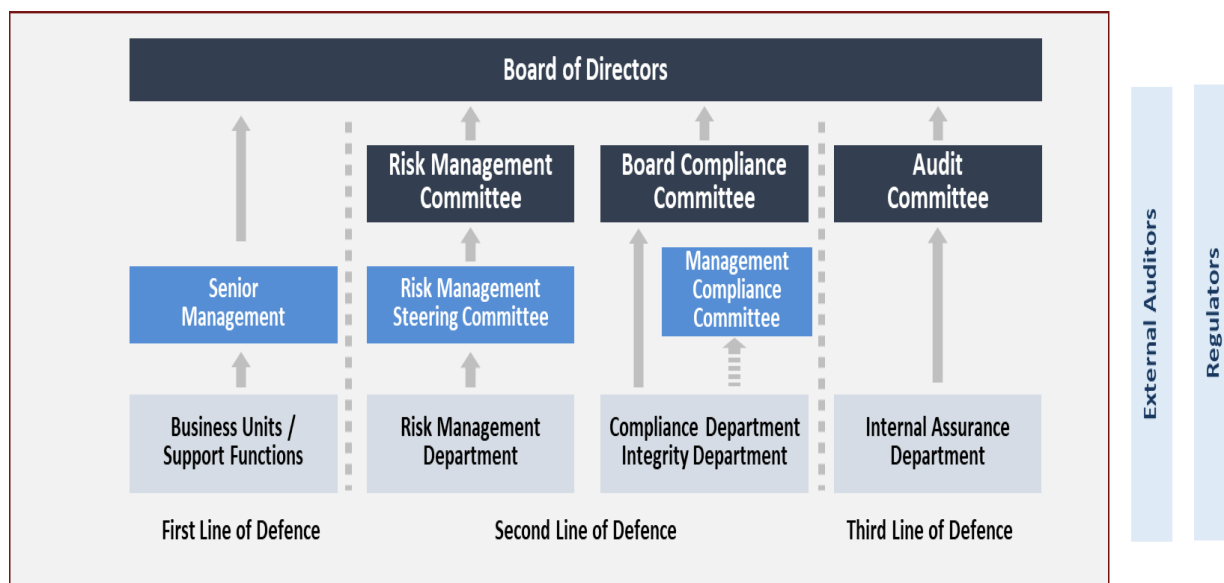
- a) The three lines of defence concept to manage integrity-related risk and obligations;
- b) Key elements to create a strong integrity culture; and
- c) Key activities to manage integrity-related risks and obligations.

3.2 The Three Lines of Defence Model

3.2.1 Introduction

3.2.1.1 The PNB Group has implemented a three lines of defence model for the management of all risk classes, including integrity-related/corruption risk. This model is essential for the effective operation of the Integrity Framework.

3.2.1.2 The model distinguishes among functions that owns and manages corruption risks, (first line of defence), functions that oversee corruption risks and controls, (second line of defence), and functions that provide independent assurance of the effectiveness of integrity controls to Senior Management and the BOD (third line of defence).



The model distinguishes among the following functions:

- Functions that owns and manages corruption risk (**First line of defence**)
- Functions that oversee corruption risks and controls (**Second line of defence**)
- Functions that provide independent assurance to Senior Management and the Board (**Third line of defence**)

3.2.2 First Line of Defence

3.2.2.1 Business units and support functions represent the first line of defence, and are the primary owners of corruption risks.

Role	Description
Senior Management (Business Units)	<ul style="list-style-type: none">• Adhere to the PNB Integrity Framework, and relevant integrity obligations• Establish and implement appropriate controls to effectively manage integrity obligations, risks and controls• Conduct supervisory activities to ensure the controls in place operate effectively• Ensure there are timely, accurate and complete disclosures of appropriate tasks and obligations• Escalate possible integrity issues to Integrity Department and ensure there are appropriate corrective actions taken to address the integrity issues• Ensure there are appropriate actions taken to address improper conduct• Inculcate a strong set of value for integrity within employees of PNB in line with PNB shared corporate value of Integrity• Create and reinforce integrity awareness through frequent communication and engagement with employees• Assess and identify integrity training needs to reinforced integrity value in employees• Consult Integrity Department, where necessary, to obtain feedback on relevant integrity-related issues and matters• Provide support and feedback for continuous improvement of the Integrity Framework

3.2.3 Second Line of Defence

3.2.3.1 The second line of defence is represented by Integrity Department and Risk Management Department. The second line of defence serves in a monitoring and coordinator role as the business operates and embeds business procedures, tracks internal mitigation activities, plans and executes training and executes other Integrity Framework activities.

3.2.3.2 Roles and responsibilities of Second Line of Defence are:

Role	Description
Compliance & Integrity Division	<ul style="list-style-type: none">• Design an effective and efficient integrity programme at Group-level• Develop Group-level integrity framework and policies that support the achievement of integrity functions• Provide Group-level support, advice and challenge for the implementation of the integrity programme• Review the effectiveness of the design and monitor the implementation of the integrity programme• Identify regulatory integrity requirements and translate into obligations, policies, procedures and processes• Establish an effective governance structure and maintain the quality and integrity relevant to regulatory requirements• Provide and support integrity training

Role	Description
	<ul style="list-style-type: none"> • Promote the inclusion of the element of integrity into job descriptions and employee performance management processes • Develop and implement processes for managing information and documentation that are of relevance to integrity matters • Provide objective challenge and advice on integrity-related matters
Risk Management Department	<ul style="list-style-type: none"> • Identify and assess corruption risk • Contribute to corruption risk management and monitoring plans • Enhance awareness of corruption risk within the organisation • Collaborate with Integrity Department on integrity advising management

3.2.4 Third Line of Defence

3.2.4.1 The third line of defence is represented by Internal Assurance Department. The third line of defence provides the BOD and Senior Management with independent objective assurance on the overall effectiveness of the design and operations of integrity controls.

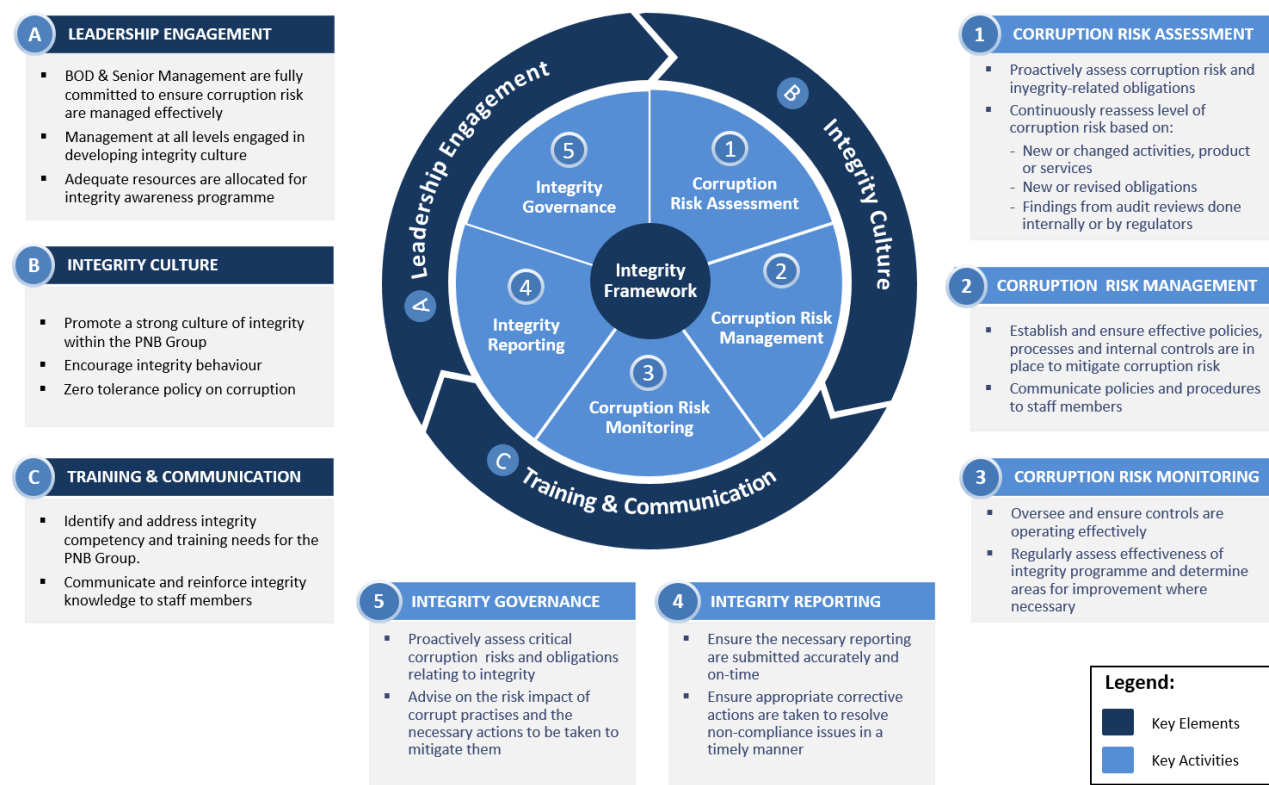
3.2.4.2 Roles and responsibilities of Third Line of Defence are:

Role	Description
Internal Assurance Department	<ul style="list-style-type: none"> • Independent function that evaluates and performs tests on the adequacy and effectiveness of both first and second line defences • Tracks remediation progress, with the aim of providing the BOD and Senior Management with comfort that the PNB Group's end-to-end complaint management, detection and verification processes, integrity strengthening and governance controls are adequate and operating effectively • Reviews specific areas of integrity-related risk, as part of annual audit review • Participates in investigations into issues relating to integrity • Provides input for overall corruption risk assessment

3.3 Key Elements and Activities of Integrity Framework

3.3.1 Introduction

3.3.3.1 The integrity framework is driven by three key elements and five key activities. These components provide a basis and guidance for establishing, developing, implementing, evaluating, maintaining and improving an effective integrity programme for the PNB Group.



3.3.2 Key Elements of the Integrity Framework:

Key Elements	Principles
Leadership Engagement	<ul style="list-style-type: none"> The BOD of Directors and Senior Management are fully committed to ensure corruption risk are managed effectively Management at all levels engaged in building and maintaining integrity culture Adequate and appropriate resources are allocated for the maintenance and improvement of integrity programme A competent CIgO is appointed, assisted by Integrity Department to manage integrity matters and obligations of the PNB Group
Integrity Culture	<ul style="list-style-type: none"> Promote a strong culture of integrity within the PNB Group to increase the culture of accountability, transparency and integrity within PNB Group Promote and encourage high standards of ethical behaviours that create and support integrity Operate with no tolerance and exceptions towards corruption
Training and Communications	<ul style="list-style-type: none"> Identify, address and support group wide integrity programme and training needs to ensure employees can effectively perform their obligations and responsibilities with integrity Communicate and reinforce integrity awareness to all employees

3.3.3 Key Activities of Integrity Framework:

Key Activities	Principles
Corruption Risk Assessment and Identification	<ul style="list-style-type: none">• Proactively assess, identify and track corruption risk and obligations• Continuously reassess level of corruption risk based on:<ul style="list-style-type: none">• New or changed activities, product or services• New or revised integrity obligations• Findings from reviews done internally or by regulators
Corruption Risk Management and Mitigation	<ul style="list-style-type: none">• Establish and ensure effective policies, processes and internal controls are in place to mitigate corruption risk• Communicate and reinforce integrity policies and procedures to employees to ensure proper adherence
Corruption Risk Monitoring	<ul style="list-style-type: none">• Oversee and ensure corruption risk controls are operating effectively• Regularly assess effectiveness of current integrity programme and determine areas for improvement where necessary
Integrity Reporting and Resolution	<ul style="list-style-type: none">• Establish and maintain appropriate mechanisms to identify, escalate and respond to integrity-related issues• Ensure the necessary reporting are submitted accurately on-time and up-to-date• Ensure appropriate corrective actions are taken to resolve integrity-related issues in a timely manner
Integrity Governance	<ul style="list-style-type: none">• Integrity Department positioned as reference to the Business Unit on matters relating to integrity• Proactively assess critical integrity-related risks• Advise Senior Management on the impact of integrity-related risk and the necessary actions required to mitigate them

3.4 Leadership Engagement

3.4.1 Introduction

3.4.1.1 PNB's integrity philosophy and strategy would not be sustainable without the full support and backing from the BOD and Senior Management and if adequate resources are not allocated to manage the integrity programme. Integrity is part of PNB's corporate value and thus the responsibility of all parties within the PNB Group to uphold it.

3.4.2 Approach

3.4.2.1 Employees will look at their leaders (BOD and Senior Management) to guide them on what is the expected behaviour. Therefore, it is important for BOD and Senior Management to:

- a) Set the right tone at the top
- b) Provide clarity on expectation
- c) Ensure behaviours and actions are consistent with the messages delivered

3.4.3 Roles and Responsibilities

3.4.3.1 The roles and responsibilities of the BOD, Compliance Committee of the PNB Group, Senior Management and Integrity Department in Leadership Engagement are as follows:

Roles and responsibilities	
BOD/ Compliance Committee of the PNB Group	<ul style="list-style-type: none"> • Promote the values of honesty and integrity throughout the PNB Group • Cultivate an integrity culture within the PNB Group • Approve Integrity Charter and Framework of the PNB Group and related policies and programmes • Review and approve Annual Workplan of integrity programme and assess whether the PNB Group is managing its corruption risk effectively • Ensure integrity issues are resolved effectively and expeditiously
Senior Management (Business Units)	<ul style="list-style-type: none"> • Take ownership of obligations and outcome of the process • Always set the expected example (behaviour and actions) • Setting of expectations and provide clarity on accountability and responsibilities for integrity • Ensure adequate resources are allocated to manage corruption risk and obligations • Create and maintain integrity awareness through frequent communication with employees • Provide an environment where concerns can be raised without fear of retaliation
Integrity Department	<ul style="list-style-type: none"> • The custodian of Integrity framework and its related activities and programmes • Assist and engage Senior Management in enhancing the integrity environment where employees are aware and committed to perform their duties with integrity • Ensure Senior Management and leaders understand their responsibility and how to visibly demonstrate their support for integrity • Maintain a robust integrity framework and related programmes • Involve Senior Management in the execution of the fundamental integrity processes (i.e. corruption risk assessment, training, communication, etc.) • Conduct integrity training for Senior Management • Provide and update Senior Management on integrity related information • Evaluate and provide feedback to Senior Management on integrity activities and programme

3.5 Integrity Culture

3.5.1 Introduction

3.5.1.1 Integrity culture is critical to support and sustain an effective integrity framework and for it to achieve its expected outcome.

3.5.2 Approach

3.5.2.1 Integrity culture is built on having the mechanisms to communicate and demonstrate integrity values. The mechanism includes:

- a) A clear set of published values and expected behaviour (policies and procedures)
- b) Activities and communications that reinforce the importance of integrity
- c) Management is seen as the role models for demonstrating integrity value
- d) Employees are aware that they are accountable for their actions
- e) PNB to equip employees with the necessary knowledge to effectively perform their duties with care and integrity
- f) Employee having the understanding that they share the responsibility to report possible integrity-related issues and to escalate them accordingly to Integrity Department
- g) Incorporation of integrity commitment in the job descriptions
- h) Induction programs that emphasis on integrity and organisation values
- i) Open communication on integrity issues and outcomes
- j) Feedback mechanism be put in place to ensure that processes to achieve the desired results in driving appropriate behaviour are effective.

3.5.3 Roles and responsibilities

3.5.3.1 The roles and responsibilities of Senior Management, employees and Integrity Department in Integrity Culture are as follows:

Roles and responsibilities	
Senior Management (Business Units)	<ul style="list-style-type: none">• Reinforce the importance of integrity culture and value• Be role models for integrity• Provide clarity on accountability and responsibilities for integrity• Create and maintain integrity awareness through frequent communication to employees• Provide an environment where concerns can be raised without fear of retaliation
Employees	<ul style="list-style-type: none">• Ensure integrity accountability for own actions• Understand the process for reporting and escalating possible integrity-related issues promptly

Roles and responsibilities	
Integrity Department	<ul style="list-style-type: none"> • Assist Management in promoting integrity culture • Assist in disseminating integrity related practices via circulars and messages • Utilise the internal web portal as a main communication medium to disseminate integrity related information in order to raised integrity awareness • Assist Management on matters relating to integrity • Have regular contact with employees to discuss on matters relating to integrity • Provide feedback to Management on the effectiveness of the organisation's integrity culture and environment.

3.6 Training and Communications

3.6.1 Introduction

3.6.1.1 It is recognised that integrity awareness must continuously be reinforced and communicated to all employees.

3.6.2 Approach

3.6.2.1 Integrity awareness can be raised through:

- An up-to-date and appropriate Group-wide integrity training programme; and
- The development and execution of a robust Group-wide integrity communication plan.

3.6.2.2 The integrity training programme will be developed based on:

- Relevance to day-to-day work of employees;
- On-going and at appropriate intervals, post induction of the employees and/or when there is:
 - Changes to the employees position or responsibilities;
 - Changes in internal processes, policies and procedures as a result of changes in obligations; and
 - Issues arising from monitoring, audit, review, incidents, etc.
- Gaps in employees knowledge based on assessments; and
- Flexibility to accommodate the different needs and levels of employees.

3.6.2.3 The integrity training programme will be assessed for their effectiveness and efficiency.

3.6.2.4 The Group-wide communication plan will ensure consistent and appropriate integrity related messages are delivered to all level of employees of the PNB Group using multiple methods of communication which may include:

- Internal portal dedicated to integrity;
- Email messages from management;
- Informal discussion and focus group;
- Dedicated phone line and/or email box to address questions or concerns; and
- Posters/buntings, etc.

3.6.3 Roles and Responsibilities

3.6.3.1 The roles and responsibilities of Management, employees and Integrity Department in Training and Communications are as follows:

Roles and responsibilities	
Senior Management (Business Units)	<ul style="list-style-type: none">• Reinforce expectations and awareness in their communications• Support and participating in integrity events• Utilise real-life integrity examples as a means of communicating the importance of integrity• Provide infrastructure for employees to raise concerns• Identify integrity training needs• Ensure employees attend the required training
Employees	<ul style="list-style-type: none">• Raise concerns and seek guidance when in doubt• Attend integrity training• Apply integrity value in day-to-day operations
Integrity Department	<ul style="list-style-type: none">• Assist management in educating and communicating integrity-related matters• Develop a communication strategy and plan to ensure integrity related messages are disseminated. The plan should identify and address:<ul style="list-style-type: none">• Target audiences• Key messages• Channels (circulars, internal portals, dedicated internal webpage, forums, etc.)• Opportunities• Tailored messages to meet the different approaches for different stakeholder segments• Promote available complaint channels• Assist management in identifying employees' integrity-related training needs• Monitor that every employee receives required integrity training• Assist the training department to develop, maintain and execute integrity training plan• Serve as content expert for integrity related training materials

3.7 Corruption Risk Assessment and Identification

3.7.1 Introduction

3.7.1.1 The PNB Group is subjected to numerous obligations that evolve through time. Identification and assessment of corruption risks and obligations have to be conducted proactively to allow the PNB Group to have adequate time:

- a) To consider the impact of changes and respond accordingly;
- b) To influence and make changes (where necessary); and
- c) To obtain necessary support (internal and external) to ensure the right response and actions are made.

3.7.1.2 The PNB Group will:

- a) Systematically identify its integrity obligation in the way that it impacts its activities, products and services. Source of obligations includes but not limited to legislation, regulations, guidelines, circulars issued by the relevant authorities.
- b) Liaise with regulators, monitor regulators websites, having membership in professional groups, subscribing to relevant information services, attending industry forum and seminar to keep abreast of current integrity-related issues and practices.
- c) Proactively identify corruption risk and rank the likelihood and consequences of potential failures (via control self-risk assessment or any other type of risk assessment exercise).
- d) Ensure appropriate response and resolution to identified corruption risk.
- e) Reassess level of corruption risk in light of:
 - i. New or changed activities, product or services
 - ii. Change in integrity obligations (new or revised obligation)
 - iii. Results of corruption risk findings/review conducted internally, or by regulators.
- f) Maintain an up-to-date integrity obligation register.

3.7.2 Roles and responsibilities

3.7.2.1 The roles and responsibilities of Management and Integrity Department in Corruption Risk Assessment and Identification are as follows:

Roles and responsibilities	
Senior Management (Business Units)	<ul style="list-style-type: none">• Be aware of all potentially applicable legal and regulatory requirements, internal policies and standards impacting their business function and/or area of operations• Be alert for unanticipated or emerging corruption risk• Assign owners for all integrity-related policies and risk areas• Continuous evaluation and management of the corruption risk faced by the PNB Group, which include:<ul style="list-style-type: none">• Identification of corruption risk and obligations;• Identify and set key risk indicators and mitigation activities;• Prioritise the risks identified;• Ensure adequacy and timely execution of corruption risk mitigation efforts; and

Roles and responsibilities	
	<ul style="list-style-type: none"> • Ensure adequate resource are made available to manage all major corruption risk areas • Keep Integrity Department informed of any changes in operations that may impact corruption risks in the business.
Integrity Department	<ul style="list-style-type: none"> • Proactively identify integrity-related obligations impacting the PNB Group (current and emerging obligation) • Evaluate and advice Senior Management the impact of the integrity-related obligation • Work with relevant stakeholders to proactively: <ul style="list-style-type: none"> • Identify and assess the impact of corruption risk; and • Coordinate appropriate respond to the identified corruption risk and obligations • Keep abreast of applicable regulatory requirements and industry trends (local and overseas) • Develop and maintain a process that systematically: <ul style="list-style-type: none"> • Identify integrity-related obligations impacting the PNB Group • Proactively scan for new or changing integrity-related obligations and risks • Assess the impact of new or emerging obligations and advice relevant stakeholders accordingly • Assist the Senior Management in assessing and prioritising business corruption risk • Participate in the identification of corruption risk, risk rating and prioritisation • Maintain an up-to-date integrity-related obligation register • Translate new regulatory requirements into integrity-related obligations, rules and procedures • Work with Risk Management Department and policy owners to ensure integrity-related obligations are embedded and executed appropriately

3.8 Corruption Risk Management and Mitigation

3.8.1 Introduction

- 3.8.1.1 A robust integrity environment/culture requires appropriate controls system to be put in place to minimise the risk of corruption, among many other factors. The type of controls must be sufficient to facilitate in achieving integrity-related obligations and to embed it into the normal business processes.

3.8.2 Approach

- 3.8.2.1 Procedures should be established to document, implement, maintain and translate integrity-related obligations into controls that can be embedded into the PNB Group's business activities.
- 3.8.2.2 The control methods deployed by the PNB Group to ensure integrity-related obligations are met include (but not limited to):
- a) Documented and up-to-date operating policies and procedures;
 - b) Systems controls; and
 - c) Approval processes
- 3.8.2.3 The design of these controls will take into consideration:
- a) The risk of corruption (i.e. the likelihood or probability and impact);
 - b) The results of internal or external review (effectiveness and adequacy); and
 - c) The need for specific procedures to deal with corruption issues.

3.8.3 Roles and responsibilities

- 3.8.3.1 The roles and responsibilities of Senior Management and Integrity Department in Corruption Risk Management and Mitigation are as follows:

Roles and responsibilities	
Senior Management (Business Units)	<ul style="list-style-type: none">• Ensure appropriate internal policies and controls are in place to manage the risk of corruption and integrity-related obligations• Promptly follow up on any deficiencies in the policies and procedures, guidelines or controls and where necessary, formulate proposals to close the gap• Work with Integrity Department to find solutions based on business practices and operational constraints
Integrity Department	<ul style="list-style-type: none">• Proactively identify integrity-related obligation impacting the PNB Group (current and emerging obligation)• Scan for new and emerging integrity-related obligations• Evaluate and advice Senior Management the impact of the integrity-related obligations• Work with relevant stakeholders to proactively:<ul style="list-style-type: none">• Identify and assess the impact of corruption risk; and• Coordinate appropriate respond to the identified corruption risk and integrity-related obligations.• Keep abreast of applicable regulatory requirements and industry trends (local and overseas)• Develop and maintain a process that systematically:

Roles and responsibilities	
	<ul style="list-style-type: none"> • Identify integrity-related obligations impacting the PNB Group; • Proactively scan for new or changing integrity-related obligations; and • Assess the impact of new or emerging integrity-related obligations and advice relevant stakeholders accordingly. <ul style="list-style-type: none"> • Assist Senior Management in assessing and prioritising business corruption risk • Participate in the identification of corruption risk, risk rating and prioritisation • Maintain an up-to-date corruption risk register and integrity-related obligation listing • Translate new regulatory requirements into integrity-related obligations, rules and procedures • Work with Risk Management Department and policy owners to ensure integrity-related obligations are embedded and executed appropriately

3.9. Corruption Risk Monitoring

3.9.1 Introduction

3.9.1.1 The Integrity Awareness Programme and its related activities have to be regularly monitored so that the expected integrity business culture can be achieved. The supervision and monitoring of the effectiveness of control and mitigation effort is important to:

- a) Satisfy regulatory and internal obligations;
- b) Provide assurance to the BOD and Senior Management that controls in place are operating effectively; and
- c) Provide assurance that the Integrity Awareness Programme is operating effectively.

3.9.2 Approach

3.9.2.1 A plan for continuous monitoring will be established, setting out monitoring processes, schedules, resources, and information to be collected, and subsequently reported.

3.9.2.2 The monitoring processes involve both Integrity Department to control the Integrity Awareness Programme performance.

3.9.2.3 The approach to monitoring may include:

- a) Information gathered through whistleblowing channel, complaints from employees and customers and other feedback;
- b) Observation and/or discussion with employees;
- c) Trend on integrity-related issues;
- d) Areas of concerns or trends in integrity requirements raised by regulators; and
- e) Audit and other reviews.

3.9.2.4 The approach to monitoring the effectiveness of Integrity Awareness Programme may include:

- a) The extent the objectives and targets have been met;
- b) The effectiveness of training;
- c) The adequacy of controls and effectiveness to address integrity-related obligations; and
- d) The status of the integrity culture (through surveys, etc.)

3.9.3 Roles and responsibilities

3.9.3.1 The roles and responsibilities of Senior Management, Integrity Department and Internal Assurance Department in Corruption Risk Monitoring are as follows:

Roles and responsibilities	
Senior Management (Business Units)	<ul style="list-style-type: none"> • Monitor that the controls in place operate effectively • Provide employees with access to support mechanisms such as access to Integrity Department and whistleblowing processes
Integrity Department	<ul style="list-style-type: none"> • Monitor that policies and procedures incorporating integrity-related obligations are developed and communicated to all employees • Be the point of reference for employees on the interpretation of various integrity-related rules and procedures • Develop, maintain and enhance investigation of complaint processes, methodology and tools to track incidences • Conduct monitoring reviews • Conduct investigation into potential integrity issues • Assess the effectiveness of the Integrity Awareness Programme via interviews and/or survey
Internal Assurance	<ul style="list-style-type: none"> • Provide an independent assurance to the BOD on the effectiveness of monitoring and supervision of the Integrity Awareness Programme

3.10 Integrity Reporting and Resolution

3.10.1 Introduction

3.10.1.1 The PNB Group encourages an open reporting environment that would result in the following:

- a) Timely reporting of integrity-related issues (via appropriate escalation channels);
- b) Effective resolution of integrity-related issues; and
- c) Minimise surprises.

3.10.2 Approach

3.10.2.1 The PNB Group will design and put in place reporting and resolution mechanisms where:

- a) Criteria and obligations for reporting are set out;
- b) Integrity-related issues are appropriately investigated, analysed, classified, and corrective actions taken on a timely manner;
- c) Systems and tools that allow analysis of integrity problems to minimise future occurrence;
- d) Clear escalation processes are adopted and communicated;
- e) Timeline and recipient of the report are established and agreed;
- f) There is a sign off on the accuracy of the reports provided by relevant stakeholders and to the BOD; and
- g) A policy to ensure external reporting to regulators and/or enforcement agencies is put in place.

3.10.3 Roles and responsibilities

3.10.3.1 The roles and responsibilities of Senior Management and Integrity Department in Integrity Reporting and Resolution are as follows:

Roles and responsibilities	
Senior Management (Business Units)	<ul style="list-style-type: none">• Address issues arising from integrity reports• Ensure identified issues are resolved in a sustainable manner within agreed deadlines• Provide Integrity Department with information and updates until the issues are resolved
Integrity Department	<ul style="list-style-type: none">• Develop and implement processes and tools for timely identification, verification, detection, rectification and reporting of issues and trends• Conduct investigation into integrity-related issues• Analyse integrity issues to identify 'hot spots'• Create a process for managing integrity-related issues, findings and incidences• Liaise with respective internal stakeholders e.g. Human Resource Division, Internal Assurance, Risk Management, Procurement, Compliance to resolve integrity-related issues• Ensure management discuss incidences, remedial actions and lessons learnt• Provide periodic reports to BOD and Compliance Committee of the PNB Group• Report to regulators on Complaint Management status, Detection and Verification activities, Integrity Strengthening programmes adopted and overall Integrity Governance issues

3.11 Integrity Governance

3.11.1 Introduction

3.11.1.1 PNB's integrity governance is aim towards good corporate governance in the effort to strengthen integrity value in all employees of the PNB Group. Integrity governance would deal with issues relating to integrity, particularly on corruption, bribery, misuse of power and embezzlement with the full support and backing from the BOD and Senior.

3.11.2 Approach

3.11.2.1 The PNB Group will design and put in place an Integrity Governance infrastructure where:

- a) Set the right tone at the top
- b) Provide clarity on expectation
- c) Ensure behaviours and actions are consistent with the messages delivered

3.11.3 Roles and Responsibilities

3.11.3.1 The roles and responsibilities of the BOD, Compliance Committee of the PNB Group, Senior Management and Integrity Department in Integrity Governance are as follows:

Roles and responsibilities	
BOD/Compliance Committee of the PNB Group	<ul style="list-style-type: none">• Promote the values of honesty and integrity throughout the PNB Group• Cultivate an integrity culture within the PNB Group• Approve Integrity Charter and Framework of the PNB Group and related policies and programmes• Ensure integrity infrastructures and initiatives are effectively and expeditiously conducted
Senior Management (Business Units)	<ul style="list-style-type: none">• Ensure adequate resources are allocated to oversee the integrity governance of the PNB Group• To support the activities and programmes of integrity in nature and maintain integrity awareness through frequent communication with employees
Integrity Department	<ul style="list-style-type: none">• The custodian of Integrity Charter and Framework of the PNB Group and its related activities and programmes• Conduct checks and research on policies, systems and work procedures and to suggest improvements• To coordinate the improvement of the PNB Group's relevant procedures and systems relating to integrity• Ensure Senior Management and leaders understand their responsibility and how to visibly demonstrate their support for integrity• Maintain a robust integrity framework and related programmes• To supervise and ensure that the best integrity governance mechanism is practiced• Evaluate and provide feedback to Senior Management on integrity activities and programmes

END OF DOCUMENT

CODE OF BUSINESS ETHICS (CoBE) OF THE PNB GROUP

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PNB

Version: 5/2024

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OUR VALUES

B.R.A.V.E



Bold

We strive to push the boundaries of what is possible.



Responsible

We take ownership and we do what we say we are going to do.



Agile

In a fast-changing world, we never stop moving.



Visionary

Our foresight and expertise inspire a better future.



Empowering

We work together, supporting each other to deliver on our shared goals.

DEFINITIONS AND INTERPRETATIONS

TERM	DEFINITION
AMLA	Anti-Money Laundering and Anti-Terrorism Financing
ASNB	Amanah Saham Nasional Berhad (Company No. 197901003200 (47457-V)), a wholly-owned subsidiary company of PNB and a CMSL holder dealing in securities (restricted to unit trust products)
BNM	Bank Negara Malaysia
BOD	Boards of Directors of PNB Group
CoBE	Code of Business Ethics of PNB Group
Code of Conduct	The guidelines that form the minimum standards of conduct or ethics in dealing with the operational activities and business decisions.
Committee Members	Members of all committees established by PNB Group
Confidential Information	Confidential information can be any information in any form whatsoever not generally known, and proprietary to the PNB Group including but not limited to privileged information concerning PNB Group's clients, fellow employees and suppliers, information in relation to the identity of security holdings and financial circumstances of clients, information relating to employees and directors personal holdings, information obtained from business, PNB Group's financial information, PNB Group's examination reports/ information produced by regulators where certain reports made by those regulatory agencies are the property of those agencies and are strictly confidential, PNB Group's proprietary information, where certain non- financial information developed by PNB Group (such as business plans, client lists and records, methods of doing business, employee records, models, computer software, source codes, databases and related documentation) is valuable information that is proprietary and confidential, electronic and voice communication systems and Information of PNB Group's security systems.
CCM	Companies Commission of Malaysia.
CMSA	Capital Markets and Services Act 2007
CMSL	Capital Markets Services License of the SC
CMSRL	Capital Markets Services Representative's License of the SC
CSR	Corporate Social Responsibility
Disciplinary Action	'Disciplinary Action' as stated in the PNB Employee Handbook.
EPF	Employees Provident Fund
FIMM	Federation of Investment Managers Malaysia
Government Leaders	Refer to the definition of "Members of the Administration" under Clause (2), Article 160 of the Federal Constitution, Members of Parliament and State Assemblymen.
Improper Conduct	Any conduct which may constitute as a disciplinary or criminal offence provided in the Whistleblowing Policy. The list is not exhaustive and may be updated from time to time.
Influential Individuals	Malaysian Anti-Corruption Commission. Individuals who have positions in, including but not limited to, Federal or State Governments or relations with authorities, dignitaries, politicians and others.
MACC	Malaysian Anti-Corruption Commission
MACC Act	Malaysian Anti-Corruption Commission Act 2009
PDPA	Personal Data Protection Act 2010
PGCE	President and Group Chief Executive
PHNB	Pelaburan Hartanah Nasional Berhad (Company No. 198801008611 (175967-W)), a wholly-owned subsidiary company of PNB and a CMSL holder licensed for fund management (restricted to Real Estate Investment Trust)
PIP	Procurement Integrity Pact of PNB Group
PNB	Permodalan Nasional Berhad (Company No. 197801001190 (38218-X)), a CMSL holder licensed for fund management in relation to portfolio management
PNB Group ABC Policy Statement	PNB Group Anti-Bribery and Anti-Corruption Policy Statement
PNB Group	PNB and/or the following entities, whichever is applicable: (i) ASNB; (ii) PHNB; (iii) PNB Merdeka Ventures Sdn Berhad (Company No. 200001015384 (517991-A)); (iv) PNB Research Institute Sdn Bhd (Company No. 198501007000 v(139442-U)); and (v) Any other company and/or entity sanctioned by the BOD.
SC	Securities Commission Malaysia
Support Letters	Any form of written communication including but not limited to letters, memos, minutes, emails, short message services or other forms from Government Leaders or Influential Individuals intended to support an application or influence decision making of PNB Group.
Whistleblowing Policy	Whistleblowing Policy of PNB Group

1.0 OUR CoBE, ITS PRINCIPLES AND COVERAGE

1.1 BACKGROUND

In PNB Group, our shared core values bind us together as a strong and unified cohesive team, allowing us to work harmoniously, stronger and competitively. Our vision is to be a Distinctive World-Class Investment House with the mission to enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation. Being one of the largest fund management companies in Malaysia, PNB is entrusted by millions of Malaysians for their investment in the unit trust funds managed by ASNB.

The business activities of PNB Group, which are highly regulated, comprise a well-diversified portfolio with investments across asset classes and geographies which represent the wealth of corporate Malaysia and range from asset management, property management, unit trust operations, real estate investment trust management and ancillary services.

HISTORY OF PNB

PNB was established as one of the initiatives to correct the socio-economic imbalance in the Malaysian society through wealth and opportunities creations. The main activities of PNB is fund management and the landmark year for PNB was 1981 when it launched its first unit trust fund, Amanah Saham Nasional. Being entrusted by the Government and given considerable confidence by unit holders, it is important to safeguard the reputation of PNB. We take our responsibility highly and are serious and fully committed to conduct our business with high level of ethical standards.

Being a fund management company licensed by the SC, PNB is highly regulated and any non-compliance to the SC's regulations may result in issuance of warning or show cause letter as well as fine or penalties.

OUR CoBE

This CoBE is overarching to the various guidelines of the SC, FIMM's Code of Ethics, MACC, PNB Group's policies and procedures, and other rules and regulations applicable to PNB Group. It promotes a culture of compliance, professionalism, ethical standards and responsible conduct among its BOD, Committee Members, management, employees and stakeholders, as well as its business counterparties in relation to any conducts that may have an adverse impact to the industry. It provides references to the underlying PNB Group's policies, which offers specific, up-to-date ethical and legal guidance to assist PNB Group in making business decisions professionally, prudently and legitimately.

It covers, among others, the following topics:

- Our foundations on how we do our business as a team;
- How our customers count on us to do the right thing;
- Conflict of interest and no gift policy
- Our dealings with business counterparties, customers, unit holders and communities;
- Protection of PNB Group's assets;
- Financial and documentary integrity, internal controls and reporting;
- Protection of Confidential Information;
- CSR; and
- Our dealings with public officials and regulators.

The purpose of this CoBE is to:

- ensure compliance to the rules and regulations of PNB Group as well as all the internal policies and procedures;
- uphold the reputation of PNB Group and maintain public confident; and
- uphold the highest standard of personal integrity and professionalism of PNB Group.

This CoBE may not be exhaustive or include all policies of PNB Group. It is meant to provide a general guidance for resolving a specific legal, business and ethical issues within PNB Group and its counterparties.

1.0 OUR CoBE, ITS PRINCIPLES AND COVERAGE

1.2 WHO DOES IT APPLY TO?

This CoBE is applicable to the BOD, Committee Members, senior management and employees of PNB Group, stakeholders of PNB Group, as well as its business counterparties.

BUSINESS COUNTERPARTIES, AGENTS, ADVISERS & BUSINESS REPRESENTATIVES OF PNB GROUP

All persons and entities acting for and on behalf of PNB Group are required to comply with this CoBE. These include but are not limited to, business counterparties, vendors, suppliers, consultants, agents, advisers, contractors and subcontractors with respect to the work performed for, or services provided to PNB Group.

We will only deal with business counterparties, agents and business representatives who comply with applicable laws and regulations and have been approved in accordance with the PNB Group's due diligence processes.

1.3 RESPONSIBILITY AND COMPLIANCE TO THIS CoBE

The BOD, Committee Members, senior management and employees of PNB Group together with business counterparties, agents and business representatives are expected to perform and work with honesty and integrity at all times and must comply with this CoBE.

We will not tolerate any improper conduct or a violation of this CoBE or any applicable laws. All incidents, whether these relate to yourself, direct reports or others must be reported to the appropriate officer/department in PNB Group.

All parties are expected to comply with other applicable policies and procedures issued by PNB Group from time to time.

How do you report a violation of CoBE?

Should you have any concern, you may raise your concern with any of the following:

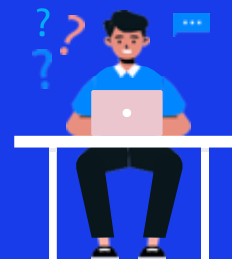
- Your Supervisor; or
- Human Capital Division of PNB; or
- Integrity Department of PNB at email: integrity@pnb.com.my.

We will not tolerate any form of intimidation and victimisation against any individual who reports in good faith of a suspected violation of the CoBE.

We strictly prohibit acts of retaliation that targets a person because he or she has provided information in good faith or assisted an investigation into a possible violation of law.

Protection from retaliation is provided under the Whistleblowing Policy.

In the case of any dispute over the applicability of this CoBE, the decision of the Group Head, Compliance & Integrity, shall be final.



1.4 WHAT HAPPENS IF YOU FAIL TO COMPLY WITH THIS CoBE?

The BOD, Committee Members, senior management and employees are required to comply with the provision of this CoBE and the applicable laws. You may be subject to Disciplinary Action or legal liability for non-compliance.

PNB Group and its employees together with all persons and entities acting for and/or on behalf of PNB Group are individually responsible and accountable for adhering to company's policies, standards and procedures. Additionally, all employees of PNB Group are accountable for providing the resources necessary to maintain a defined and expected performance levels in discharging their duties for PNB Group.

As counterparties, you are also required to understand and comply with the relevant aspects of this CoBE. Violation of the CoBE may result in the removal from the panel list or blacklisting by PNB. Business counterparties are encouraged to adopt similar principles and standard behavior.

2.0 OUR FOUNDATIONS ON HOW WE DO OUR BUSINESS AS A TEAM

2.1 INTEGRITY, DILIGENCE, CARE AND PROFESSIONALISM

It is the responsibility of the respective Boards of Directors to ensure that PNB Group comply with all the relevant laws and regulations applicable to them. They must also ensure that only a competent and licensed person, where applicable, carries the function, transactions and dealings, and must ensure him/her conduct the business with integrity, due care, skill and diligence. Being the appointed fund manager to all ASNB funds and PHNB fund, PNB always acts in the best interest of its clients and not in any way jeopardise or prejudice the clients' interest. PNB Group is expected to organise and control its affairs responsibly and effectively, with adequate risk management and supervisory system and maintain adequate resources, in conducting its business in a manner that promotes a fair and orderly market.

Employees of PNB Group shall demonstrate high standards of professionalism, exercise due care, skill, competent and diligence when dealing with customers, and provide prompt, efficient and continuous service to customers, including treating them with respect. You shall keep up to date with knowledge and comply with the applicable laws, rules and regulations in your respective functions.

PNB Group ABC Policy Statement

The PNB Group ABC Policy Statement is PNB's highest statement of commitment to comply with requirement of MACC Act and other applicable laws in respect of countering bribery and corruption in all jurisdictions in which PNB Group operates or conducts its business and not confined to, those countries where PNB Group has offices. We adopt a [Bribery-Corruption Free Business Environment](#) from any forms of bribery and corruption and takes a stern stance against such acts. This PNB Group ABC Policy Statement is applicable to the BOD, Committee Members, senior management, and employees of PNB Group, stakeholders of PNB Group, as well as its business associates.

We treat any violation of the PNB Group ABC Policy Statement seriously and will undertake necessary actions including but not limited to, review of employment or appointment, disciplinary actions, dismissal, stop business counterparties from further business dealing, as well as report to the relevant authorities any wrongdoings, consistent with the requirements of the relevant laws and regulations. Please refer to PNB Group ABC Policy Statement for further details.

2.2 ORGANISATION, MANAGEMENT AND KEY RESPONSIBILITIES

Safeguarding of clients' assets should be our number one responsibility. To commensurate with its fund management business as well as other ancillary business, we have put in place an adequate and effective internal controls framework, to prevent and detect abusive or inappropriate investment practices, or any conflict of interest between proprietary transactions and clients' transaction. Among the written policies and framework, being established at PNB Group level include, not limiting to the following:

- PNB Strategic Assets Allocation Framework
- Private Investment Framework
- Integrity Charter & Framework
- Enterprise Risk Framework
- Chinese Wall Policy
- AMLA Policy
- Fixed Income Framework
- Compliance Charter & Framework
- Internal Assurance Framework
- Conflict of Interest Policy
- No Gift Policy
- Cyber Security Policy
- PNB Group ABC Policy Statement
- PIP

2.3 EQUAL OPPORTUNITIES

We respect and treat each employee fairly and equally and will not tolerate any form of abuse or harassment towards our employees or anyone at any of our premise. We are committed to a working environment that promotes equal employment opportunities and prohibits discriminatory practices, including any form of discrimination under the applicable laws.

If, at any time you feel that you have been treated less favourably without reasonable justification, you may raise the matter with your supervisor or to the Human Capital Division of PNB.

2.4 DISCRIMINATION AND HARASSMENT

We value the individual differences, experiences and capabilities of each employee. Our collective strength – enhanced by the diverse backgrounds and perspective of our teams – makes PNB Group a better place to work and a better business partner. PNB Group does not tolerate any forms of harassment, threats and violence whether verbal, physical or visual. We are encouraged to speak up if the conduct of other employee makes us feel uncomfortable, and to report any form of harassment, threat and violence when it occurs. Our employees also have the right to be treated with dignity and respect at all times. They should be able to do their jobs without being verbally, physically or visually abused.

2.0 OUR FOUNDATIONS ON HOW WE DO OUR BUSINESS AS A TEAM

If you are subjected to discrimination by any employee of PNB Group, customer or visitor of PNB Group in terms of physical or verbal abuse or harassment, inside and outside of the premise of PNB Group, or during work, you should inform your supervisor or the Human Capital Division of PNB immediately. An employee of PNB Group who has been found to have acted discriminatorily or committed acts of harassment will be subject to Disciplinary Action.



What would you do?

What if your manager is the one discriminating against you? Who do you turn to?

All employees have the right to a positive work environment, free of harassment and discrimination. If you feel your manager is discriminating against you, seek help from the Human Capital Division or contact the Integrity Department.

2.0 OUR FOUNDATIONS ON HOW WE DO OUR BUSINESS AS A TEAM

2.5 SAFE AND SOUND WORKING ENVIRONMENT

We are committed to provide a high-quality working environment, in accordance with best practice on health, safety and environment standards, which protects employees' health and welfare in all office locations. We maintain an in-house policy on safety and health, whereby every staff is responsible to commit and comply. This policy will also apply in external environment, for example, during roadshows, exhibitions and company events. Any unsafe environment must be reported to the Occupational Safety & Health Unit of the Human Capital Division of PNB.

A strong security culture shall be embedded within the processes and the behaviour of individuals. We promote mutual respect and non-discrimination when it comes to dealing with customers. This applies regardless of gender or marital status, nationality, ethnic or national origins, political views, disability or medical condition, religion, sexual orientation or age. We do not tolerate any form of discrimination or harassment towards our employees. Courtesy and respect are the important aspects of a sound working environment and business relationships. Employees must always act in a respectful and professional manner and treat colleagues and business relations (including customers) with fairness, respect and dignity. Employees are encouraged to promote an atmosphere of openness and good communication.

2.6 COMMUNICATION AND SOCIAL MEDIA POLICY

PUBLIC STATEMENT

No employee is permitted to make any public statement to any organisation or individual, including the media or press on PNB Group's policy, decision, staffing, system, legal matters, event, or business unless with written permission by PNB Group or any person authorised by PNB Group.

The communication with media and press shall ordinarily be handled by the Communications Department or such other departments as may be determined by PNB Group. The employee is required to liaise with the Head of Communications Department or any other relevant departments prior to any release of news, statements, information, publication, data, advertisements and interviews that may reasonably be associated with PNB Group. Disciplinary Action may be taken against the employee who makes any public statement without prior permission of PNB Group.

SOCIAL MEDIA

An employee who identifies himself/herself to be associated with PNB Group on the online/social media is responsible with regards to the contents, commentaries or postings shared, uploaded, published or transmitted via any internet-based applications or virtual platforms that are capable of delivering messages and allowing interactions among people in mass forum or closed groups.

An employee who is authorised as the Admin/ Editor/Moderator for the official online/social media to interact with other users on behalf of PNB Group in such capacity shall ensure that all contents, information, and response are accurate and consistent with relevant policies or standards. Where appropriate, the Admin/Editor/Moderator must consult the respective Head of Division/ Department in respect of the subject matter before releasing any corporate information into the public domain and shall not at all times express his/her personal opinion on the official online/social media.

The grant of access and use on personal account or as guest/visitor on other online/social media does not give the employees right to share, upload, publish or transmit Confidential Information, personal data, sensitive or negative issues, infringement of copyright, business trademarks or intellectual properties, defamatory, pornographic or offending materials as the case may be.

All employees shall exercise due care and limit the activities of online/social media during office hours which must not interfere with his/her duties and responsibilities and must comply with PNB Group's social media policies.

2.7 USE OF IT SYSTEMS

Access to the network and IT systems of PNB Group are for legitimate business purposes only and must be used responsibly. The use of network and IT systems of PNB Group may be monitored for the purposes of information security, operational management, maintenance, business needs and to ensure that all usage comply with all relevant laws and regulations.

Consistent with this CoBE is other IT policies and procedures of PNB Group that are in effect from time to time. This includes Information Security Policy of PNB Group, which sets out more detailed and comprehensive guidelines for the preservation of information security and the use of the systems, and other relevant social media policies.

2.0 OUR FOUNDATIONS ON HOW WE DO OUR BUSINESS AS A TEAM

2.8 USAGE OF COMPANY FACILITIES/PROPERTIES

All employees shall use the facilities/properties provided by PNB Group for official purposes only and shall not abuse the usage and its privileges.

If an employee is found to have abused or misused the facilities/properties for purposes not related to PNB Group's business, he/she may be subject to Disciplinary Action.

An employee is responsible for the safekeeping, upkeep and proper use of all assets, facilities, resources and records belonging to PNB Group that are provided to him/her for the performance of his/her duties.

An employee must further take all necessary steps to prevent theft, loss, damage to, or misuse of assets, facilities, resources and records belonging to PNB Group, the occurrence of which should be reported immediately to the relevant division/department. Assets, facilities, resources and records belonging to PNB Group may not be misused, taken, sold, lent, given away or otherwise disposed of, or used for personal purposes, except with the appropriate specific authorisation of PNB Group.

Subject to applicable laws, an employee may be liable for any loss of or damage to assets, facilities, resources and records arising from willful misconduct or negligence or careless action or as a result of action taken without the approval of PNB Group.

All employees must also comply with all policies and procedures established from time-to-time concerning the preparation, maintenance and disposal of PNB Group's books and records. Additionally, all other assets of PNB Group must be revealed and recorded at the time of transactions and at the time of disposals.

2.9 INTELLECTUAL PROPERTY

All employees must comply with all laws, regulations and contractual obligations regarding the valid intellectual property rights of any party, including patents, copyrights, trade secrets and other proprietary information.

2.10 DEALING WITH CONFIDENTIAL INFORMATION

Every employee must take precaution to protect the Confidential Information. It is the responsibility of every employee as well as the BOD/Committee Members to safeguard all Confidential Information and to protect the interest of PNB Group. You are not to disclose it to anyone outside PNB Group or to anyone inside PNB Group who does not have a need to know such information. This obligation survives your employment with PNB Group. Where such information is released, could have a significant effect of their operations, their business reputations or the market price of their securities and disclosing such information could expose both you and PNB Group to liability for damages. You must be aware of the consequences or implications for divulging or exposing Confidential Information to external parties.

You are advised to take the following steps:

- (i) Keep all Confidential Information secure and safe;
- (ii) Avoid leaving Confidential Information in the open environment;
- (iii) Avoid discussing Confidential Information publicly; and
- (iv) Inform the respective supervisor of any leakage of Confidential Information.

No employee shall use Confidential Information for personal advantage/benefit or monetary gain.

2.0 OUR FOUNDATIONS ON HOW WE DO OUR BUSINESS AS A TEAM

2.11 PERSONAL DATA PROTECTION

We respect the privacy and confidentiality of personal data of the BOD, Committee Members, senior management, employees, business counterparties and customers. Personal data should be kept private and protected, unless access is granted for specific purposes. If you have access to such data, you are required to comply with the applicable laws, such as PDPA, and also PNB Group's policies. Appropriate measures must be taken if you are dealing with personal data in terms of collection, processing, disclosure, integrity, access, security, storage and retention.

We value the confidentiality of our employees' information. Only those with appropriate authorisation may access employment records, and they may do so only for legitimate legal or business purposes. You have certain rights to access your own records.

Employees of PNB Group as the data users shall adhere to the principles outlined by the PDPA, the regulations and orders made when processing personal data of data subject.

In dealing with clients' information, we have established and implemented written policies and procedures to maintain the confidentiality of clients' records and information which include policy relating to access by a service provider or a sub-contractor (as the case may be) and measures relating to access by employees managing proprietary accounts.

Any client's information must not be disclosed to a third party or an unauthorised person unless prior consent has been obtained from the client or where there is a legal or regulatory requirement to disclose such information.

An employee also has a duty to continue protecting the confidentiality of clients' information even after cessation of his/her employment. Confidential Information concerning a client may be given or made available to third parties only with prior written consent of the client or when disclosure is authorised under any laws and regulations of respective countries to be made to the authority investigating into an offence specified in such law, regulations and other permitted disclosures.



Data Integrity Principle

Subject to the conditions set by PNB Group, employees shall be held liable for the abuse or misuse of the personal information/data accessible from PNB Group's facilities such as email, internet, web or system.

2.12 FUND MANAGER'S DISCLOSURE AND CONDUCT

We must always act in the best interest of our clients and not jeopardise or prejudice a client's interest. As a fund management company, we have established, implemented and maintained the relevant policies and procedures for our directors, investment committee members and employees to disclose all interest or holdings in securities, other assets including alternative products, and any interest in a special purpose vehicle (SPV) arrangement. The requirement for such disclosure, is to be made upon on boarding and at least on an annual basis, and as and when there are changes to the interests or holdings in securities as per the requirement of the personal trading on the acquisition and disposal of securities, stated in the PNB Employee Handbook on Code of Conduct.

We also ensure that clients' interest is not superseded by the interests of our associated persons, directors, investment committees' members and employees; and that all related disclosures records are maintained.

MARKET ABUSE

The prohibitions against market abuse aim to enhance market integrity, investor protection and investor confidence. The concept of market abuse typically consists of illegal business practices such as insider dealing, unlawful disclosure of inside information, and market manipulation.

Employees shall not engage in market manipulation, such as price fixings, front running, giving false and misleading signals in the market place, deceive or mislead market participants or other illegal market activities.

2.13 STRICT PROHIBITION ON SUBSTANCE ABUSE

Our employees together with business counterparties, agents and business representatives are prohibited from being at work or on the premises of PNB Group while being impaired by drugs or alcohol or with illegal drugs present in their bodily systems. We provide a safe and productive working environment by ensuring that the workplace is free from any form of substance abuse.

The use, possession, sale or distribution of illegal drugs and the misuse of legal drugs or other substances are strictly prohibited and will not be tolerated. Legal action or termination is imminent for any non-compliance.

3.0 OUR CUSTOMERS COUNT ON US TO DO THE RIGHT THING

3.1 OUR STAND AGAINST CORRUPTION

3.1.1 ANTI-BRIBERY GUIDE AND LAW

We are fully committed to the prevention of bribery and corruption and expressly prohibit our employees together with all persons and entities acting for and/or our behalf to be involved in bribery or corruption or any other improper conduct in business dealings irrespective of their nature and where they are performed.

As part of our continuous effort in preventing corruption, we have strengthened our internal control measures with more emphasis and focus be given to our high-risk business activities which are susceptible to corruption and fraud. These initiatives are expected to institute a healthy business culture, which will contribute to the overall economic growth.

Any improper payment or receipt, including any offer or agreement to make or accept any form of facilitation payment, or "greasing", or "enabling payment", is strictly unacceptable.

Both PNB Group and our employees are subjected to anti-bribery legislation of Malaysia namely MACC Act, and any bribery law in the jurisdiction where PNB Group has business dealings.

Under the MACC Act, it is an offence to give, promise and/or offer a bribe, inducement or improper payment to anyone with the intention of obtaining a business advantage.

The penalties set out in the MACC Act, apply to both companies and individuals. Companies convicted under the MACC Act face penalties as stated under its Section 17A namely, a fine of not less than 10 times the value of bribe or RM1 million, whichever is higher, or imprisonment for up to 20 years, or both.

Individuals if convicted will face penalties as stated under Section 24 of the MACC Act namely, imprisonment for a term not exceeding 20 years; and a fine of not less than five times the sum or value of the gratification which is the subject matter of the offence, or RM10,000, whichever is the higher. Any future enhancement/ revision made to this MACC Act shall be adopted accordingly.

3.1.2 MAKING FACILITATION PAYMENT

Facilitation payment is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Any offering or request to offer, has the same consequences as paying or receiving facilitation payments. Facilitation payment need not involve cash or other financial assets, it can be any sort of advantage with the intention to influence them in their duty. If an employee received or reportedly received a request or offered facilitation payments, he/she must immediately channel these reports accordingly to the Integrity Department of PNB in writing using the secured channels, such as email or post, containing a brief summary of the allegation.

Whistleblowing Policy

As part of the efforts in safeguarding ourselves against any practice of corruption, bribery and misuse of power, the Whistleblowing Policy has been established in the year 2019. This policy is intended to facilitate disclosures relating to corruption/bribery, wrongdoings, malpractices, misdemeanour, illicit dealings, offensive behaviours, indiscipline, any violation of established policies and procedures, or any action that is harmful to the reputation and interest of PNB Group.

It covers all complaints of Improper Conduct concerning the BOD, senior management and employees of PNB Group and any other persons providing services to PNB Group, including consultants, vendors, trainers, independent contractors, suppliers, agents, external agencies and/or any other parties with a business relationship with PNB Group.

A whistleblower shall make a disclosure of Improper Conduct using any of the following whistleblowing channels, not limited to:

- a. **Telephone Line** : +603-26393797
- b. **Email** : ClqO@pnb.com.my or BCC_Chairman@pnb.com.my
- c. **Mail Address** : Chief Integrity Officer, Compliance and Integrity Division, Permodalan Nasional Berhad
Level 89, Menara Merdeka 118, Presint Merdeka 118, 50118, Kuala Lumpur; **or**
Chairman of Board Compliance Committee, Permodalan Nasional Berhad
Level 91, Menara Merdeka 118, Presint Merdeka 118, 50118, Kuala Lumpur.
- d. **PNB Website** : https://www.pnb.com.my/02_8CorruptionFree_EN.php

3.0 OUR CUSTOMERS COUNT ON US TO DO THE RIGHT THING

3.1.3 CORRUPTION RISK ASSESSMENT PROCESS

Corruption risk management is a management process that helps to identify structural weaknesses that may facilitate corruption or bribery. It provides a framework for all employees to take part in identifying risk factors and treatments and embeds corruption prevention within a well-established governance framework.

The corruption risk management process shall be reviewed annually and/or updated when any key changes or modifications is required to ensure its relevance and adequacy.

3.0 OUR CUSTOMERS COUNT ON US TO DO THE RIGHT THING

3.1.4 PROHIBITION ON COMMISSIONS, DISCOUNTS AND SECRET PROFITS

All employees must not, directly or indirectly, receive or obtain, in respect of any goods or services sold or purchased or other business transacted (whether or not by themselves) by or on behalf of PNB Group, any discount, rebate, commission, service, interest, consideration of value or other benefits or payments of any kind (whether in cash or in kind) which is not authorised by PNB Group's policies or procedures.

Rebates and Softs Commission

We have established, implemented and maintained written policies and procedures governing rebates and soft commission arrangements, and do not accept or receive any rebates arising from transactions or orders on behalf of clients. Any rebates received must be directed to the account of the relevant clients.

Any soft commission accepted or received will be disclosed as soon as practicable upon accepting or receiving the soft commission and recorded.

3.1.5 ACCOUNTING FOR SECRET PROFITS OR GAINS

An employee who directly or indirectly, obtains any discount, rebate, commission, service, interest, consideration of value or other benefits or payments of any kind (whether in cash or in kind and whether as a bribe or otherwise), by virtue of his/her position or authority with or on behalf of PNB Group, is required to immediately disclose such receipt and he/she will be liable to render an account of the same and surrender any benefits and/or payments received to PNB Group.

3.2 NO GIFT POLICY OF PNB GROUP

All employees of PNB Group are not permitted to, either directly or indirectly, present, solicit and/or accept any form of gift to/from contractors, customers, consultants, bankers, dealers, brokers, suppliers, vendors, or organisations. It is the responsibility of employees to inform all external parties of the No Gift Policy throughout the course of a business relationship and to request the external parties' adherence to the Policy. All employees are expected to be courteous when declining gifts or entertainment and whenever appropriate, to explain the application of this Policy and to thank the givers' goodwill.

At all times, acceptance or giving of gift in a form of cash or cash equivalent is strictly prohibited. Cash equivalent includes but not limited to, vouchers, discounts, coupons and commission. Employees are also prohibited from accepting other form of gifts which include but not limited to valuable items, benefits, services, rebates, social events, leisure treatment, vacation, either locally or abroad.

Notwithstanding the general prohibition, employees are permitted to accept non-cash gift or token gift of no resale value not exceeding RM100. Where it is impractical and inappropriate for employees to refuse gifts exceeding RM100, employees are required to report the gifts to the Integrity Department that will further direct the gifts to be returned or donated to charitable organisations.

In addition, regardless of the exception above, all gifts received must be declared by the employees via the Gifts Register.

3.3 HOSPITALITY AND ENTERTAINMENT

Entertainment refers to treatment offered or received in the form of beverages, refreshment and meals, but exclude travel, transportation, accommodation as well as entertainment in the context of conventional, cultural and sports-based events.

Employees are prohibited from soliciting or accepting entertainment in order to gain competitive advantage, or in exchange of future benefits, or with the intention of inducing a person or third parties to perform a relevant function improperly.

However, employees may offer or receive entertainment not exceeding RM250 per person provided that:

- i. it is of a nature that is relevant to the employee's role, the business and circumstances relating to PNB Group;
- ii. where it is impractical or inappropriate for an employee to decline such entertainment;
- iii. such entertainment is given in good faith;
- iv. it is directly related to PNB Group's business interest or enhances business relationship;
- v. if a refusal or declination thereof would cause offence or embarrassment or adversely affect the relationship with the client;
- vi. where offering or receiving such entertainment will not give rise to any actual, potential or perceived conflicts of interest or bribery; and
- vii. it does not result in any detriment to the PNB Group and/or its reputation.

3.0 OUR CUSTOMERS COUNT ON US TO DO THE RIGHT THING

Hospitality includes but not limited to travel, transportation, accommodation as well as entertainment in the context of conventional, cultural and sports-based events. Employees are also strictly prohibited from soliciting hospitality nor are they allowed, in their personal capacity, to accept or provide hospitality in any form. A repetitive source and/or where a considerable degree of hospitality is involved, may expose the individual and the group to allegations of impropriety, undue influence or risk of conflicts of interest.

Should employees have any doubt as to what is acceptable or the appropriateness of gifts or entertainment offered by third parties, employees must consult and seek guidance from the respective Head of Division/Department prior to accepting or offering any form of gifts or entertainment, subject always to the requirement to register the accepted gifts in the Register of Gifts.

3.4 POLITICAL CONTRIBUTIONS

We do not make or offer or accept directly or indirectly monetary or in-kind political contributions in respect of any political activities, including donations to/by political parties, political party officials or candidates for political office on behalf of PNB Group or as a result of their positions with PNB Group.

3.5 MANAGING CLIENTS' ASSETS AND INFORMATION

Clients' personal and financial information is safeguarded at all times and not misused, except where disclosure has been authorised in writing by the clients or where such disclosure is required to be made to any relevant authority pursuant to any relevant laws or legal process. In relation to this, we have put in place the relevant systems, policies and procedures. All employees of PNB Group must not make improper use of clients' personal and financial information to gain an advantage for themselves or any other persons or to cause detriment to clients.

We ensure only the servicing consultant or an authorised officer has the access to clients' personal or financial information. They shall not disclose clients' personal and financial information to a third party unless prior written consent is given by the clients or when required by the authorities, pursuant to any court order or any written law, acquire or use any information in relation to clients or potential clients without proper authorisation and disseminate or exchange any client's personal or financial information with another distributor, consultant or a third party or request or procure any client's personal or financial information from a third party, including another distributor or consultant.

To build a long-lasting relationship and remain relevant in the industry, we maintain and uphold our values, and stay true by treating our customers the way we want to be treated. Honesty, trust and integrity are key elements that play an important role in our daily dealings with customers, business counterparties (brokers/agents), investee companies and communities. We empower our customers to make informed decisions about the products and services we offer and in selecting the ones that best meet their needs and circumstances.

We strive to provide excellence and are committed to delivering quality service in all our business relationships and dealings. Among the shared responsibilities to our customers, investee companies and counterparties include, doing ethical business practices, ensuring that our personal investment activities do not conflict with the interest of our companies/clients and having policies that prevent us from insider trading and having strict information barriers.

Insider information is defined as information obtained by an employee in the course of his/her duty, which is not generally known to the public which would have a material effect on the price of a traded security. We exercise the Chinese Wall Policy, where information barriers (Chinese wall) are designed between different departments which hold private and Confidential Information and departments which hold price sensitive information that is not generally available to the public.

In doing business professionally, with transparency, and utmost integrity, all appointed brokers/ suppliers and vendors must upon appointment sign the integrity agreement with PNB Group.

4.0 OUR CONDUCT IN DEALING WITH STAKEHOLDERS

The Establishment of PIP

At PNB Group, we are continuously striving to ensure all procurement processes are conducted with integrity, transparency, and good governance. The establishment of PIP also yields other benefits such as greater transparency and accountability in contracting which shall indirectly reduce and eradicate corrupt practices, and enhancement of public confidence and trust.

The BOD, Committee Members, senior management and employees of PNB Group who are involved in the procurement activities are responsible and accountable to ensure that such execution of the declaration as specified in the PIP is undertaken as required. PNB suppliers and professional service providers are also required to execute the declarations under the PIP within the stipulated stages.

4.1 DUE DILIGENCE ON THIRD PARTIES

All parties providing services to or on behalf of PNB Group must ensure that their personnel assigned to PNB Group are aware that they have to comply with this CoBE in addition to PNB Group specific policies. Prior to appointment, mandatory due diligence screening will be conducted in order to ensure that we only do business with counterparties that have in place a proper code of conduct/ethics that binds them.

To promote healthy business practices, suppliers/ brokers, vendors and all PNB Group counterparties must provide assurance and satisfactory confirmation on their background checks of their employees (including their affiliates' employees and their sub-contractors), prior to their assignment to PNB Group to ensure protection of our credibility and image while performing services, or when grant access to any PNB Group's information, technology systems, data, assets and branding. Background check will be done in accordance with, and to the extent permitted by, all applicable laws. We perform additional checks, as it deems appropriate. Any unauthorised use of information through grant access or gain from engagement could result in a violation of this CoBE.

4.2 ASSETS AND FUND MANAGEMENT, SALES AND MARKETING OF UNIT TRUST FUNDS AND PROPERTY INVESTMENT

Employees of PNB Group who are fund managers must, at all-time be a CMSRL holder and comply with the requirement of the Guidelines on Compliance Function for Fund Management Companies and other relevant guidelines issued by the SC. They are expected to comply with the investment mandate given by the clients. Prior to making any investment decision, we establish and understand each client's risk profile, objectives, limitations, and come up with the best characteristic that matches accurately the investment mandate.

Employees of PNB Group who carry the function of marketing and distribution of unit trust products, must be a holder of the FIMM's licence, and abide by the FIMM's Code of Ethics. The FIMM's Code of Ethics lays out the five core principles in upholding ethical standards and professional conduct in the marketing and distribution aspect of unit trust schemes. As a unit trust distributor and consultant, we shall provide sufficient information and explanation to facilitate clients' understanding on the investment in the schemes. The sales and marketing team, as well as the private client services team, must provide clear investment objectives, strategies to achieve the objectives, calculation method on unit price, the risks associated to the products, including the risks of investment through loans, unique features of the products, fees, charges and expenses involved, restrictions (if any), tax implication (if any) as well as cooling-off period.

Rightful Information and Fair Treatment to All Business Associates and the General Public

Employees of PNB Group who act as the front liners' such as Private Client Managers, Zone managers and Branch managers/staff have the responsibility to communicate rightful information to customers at all times in order to instill public confidence and to protect the reputation of PNB Group. Investment advice must be accurate, timely and adequate information concerning the products must be given to assist customers in making an informed investment decision, including information contained in the prospectus, disclosure document and product highlights sheet. Additionally, employees of PNB Group must be competent and show fair treatment to all business associates, including the stakeholders and general public.

4.0 OUR CONDUCT IN DEALING WITH STAKEHOLDERS

Feedbacks and Complaints Handling

We are open to customers feedbacks and complaints and value their opinion as an input to our professional conduct. Listening to customers' voice helps us to create stronger bond and understanding. Customers feedbacks also help us to improve our products and services and to do better.

All employees are responsible to attend to all feedbacks and complaints by providing an acknowledgement to the customer and clearly setting out next steps, and, where possible, to resolve at the first point of contact. All feedbacks and complaints are channeled and centralised at the respective division/department responsible for customer service operations.

4.3 PROTECTION OF PNB GROUP'S ASSETS

Fraud, Financial and Documentary Integrity

We do not tolerate fraud and have established internal control measures to prevent, detect, report and investigate suspected frauds. Fraud usually involves some form of deceit, theft, trickery, or making false statements, with the objective of obtaining money or other form of benefits. This can have major consequences to us and the individuals involved.

The following actions can be indications that a fraud has taken place:

- Forgery or alteration of documents;
- Misappropriation of assets of PNB Group, customers, suppliers or contractors;
- Unauthorised handling or reporting of business transactions of PNB Group;
- Falsification of company record or financial statements of PNB Group; and
- Failure to disclose information when there is a legal duty to do so.

The list above is non-exhaustive and subjected to review, addition, and deletion from time to time.

We maintain proper records to meet our financial, legal and regulatory operational objectives and requirements in order to accurately record all transactions and dispositions of assets. All financial books, records and accounts are sufficiently detailed to:

- Permit the proper classification of transactions for financial reporting;
- Provide reasonable assurances that the transactions are recorded as necessary to permit the preparation of financial statements in conformance with generally accepted accounting principles;
- Maintain accountability for the use of all assets; and
- Record all transactions in the accounting period in which they occurred.

Intellectual Property and Proprietary Information

The observance for confidentiality demands high ethical standards in corporate dealings and reinforces public confidence.

You together with your business counterparties, agents and business representatives must keep confidential and never use proprietary information of PNB Group or proprietary information of other parties for personal gain or for the benefit of persons outside of PNB Group. The release (either deliberate or not) of any proprietary information to authorised third parties without appropriate controls and/or protection could cause significant harm to the business of PNB Group.

Proprietary information includes but not limited to financial information, employee information, strategic and operation plans, corporate organisation plans, audit material or reports, information regarding litigations or potential litigations, proposed transactions, copyrights, database rights, drawings and layouts, trademarks in documents, logos and/or designs of PNB Group.

If your work requires you to discuss proprietary information of PNB Group with external parties, such discussion must to a certain extent only occur with the protection of a written confidentiality or non-disclosure agreement.

No one acting for and on behalf of PNB Group will solicit the proprietary information of another entity or will make use of proprietary information of another entity in conducting business for PNB Group.

4.0 OUR CONDUCT IN DEALING WITH STAKEHOLDERS

4.4 INTERNAL CONTROLS AND REPORTING

Financial And Non-Financial Controls

We adopt a clear separation of duties for all job functions either it is financially or non-financially. All jobs in most circumstances will have a three (3) or minimum two (2) layers of checking and verification. For reporting purposes, financial and investments related functions shall have the maker, checker, verifier, and approver. Additionally, we have the Compliance Department and Internal Assurance Department that verify and check the compliance to regulations, ISO standards and the level of integrity in their reporting.

We adopted a three (3)-line of defence model for the management of all risk classes. The model distinguishes among functions that own and manage risk (first line of defence), functions that oversee risk and controls (second line of defence) and functions that provide independent assurance of the effectiveness of the control measures put in place to the senior management and BOD (third line of defence).

Any further corruption risk is mitigated by having multiple verification that expand from the head of divisions and the committee members comprising independent and executive directors.

4.5 AVOIDING CONFLICT OF INTEREST

Business Relationship

You and your business counterparties, agents and business representatives must avoid conflict of interest situations arising between your private activities and personal interests, and your responsibilities owed to PNB Group.

You and your business counterparties, agents and business representatives must not accept directly or indirectly any personal gain, services or loans from a competitor, customer, supplier or contractor of PNB Group. A conflict may arise if you or any of your relatives and close associates receive benefits, other than the contractual benefits, as a result of your position with PNB Group. Any suspected conflict of interest must be declared in accordance to the relevant policies and procedures of PNB Group.

As a guide, the following are the common types of conflict situations and requirements, for employees, director or committee member to make informed decisions:

- The use of PNB Group office position, confidential and material and non-public information, assets and other PNB Group resources for personal benefits.
- Financial interest or holding a position in any organisation that PNB Group conducts business with or competes with that has financial advantages connected to PNB Group or organisation related to PNB Group.
- Participate in decisions affecting another person with whom the employee, director or committee member has personal relationship such as relatives or close associates.
- Misuse of position for personal advantage or for the benefit of other party, directly or indirectly, for whom he/she acts on behalf or having personal relationship with, such as offering of a position in PNB Group for unqualified relatives or close associates.
- Non-business activities such as relationship with clubs, society and non-governmental organisations and communities' activities that put PNB Group in a disadvantageous position.

BOD, Committee Members, senior management and employees shall familiarise themselves fully with the contents of PNB Group Conflicts of Interest Policy which shall be read together with PNB Group Personal Trading Policy, PNB Group Chinese Wall Policy, this CoBE, PIP, Whistleblowing Policy and all relevant internal policies and procedures of PNB Group relating to conflict of interest.

Employees may be subject to investigation and disciplinary action including dismissal by PNB for breaches or potential breaches of any provision stated in this Policy as well as legal liability for non-compliance. Breaches of PNB Group Conflicts of Interest Policy may expose violators to legal sanctions of the law, particularly the relevant securities industry statutes or regulations as prescribed under the CMSA, Companies Act 2016 and such other applicable laws.

In addition, BOD, Committee Members, senior management and employees whom due to their appointment and position, have in possession of any private Confidential Information, or price sensitive information, must be constantly mindful of the need and the importance of respecting confidentiality and must adhere to the principles of confidentiality and non-disclosure inherent in the PNB Group Chinese Wall Policy.

4.0 OUR CONDUCT IN DEALING WITH STAKEHOLDERS

PNB Group Chinese Wall Policy

Both CMSA and the Companies Act 2016, prohibit a person who is in possession of price sensitive information in relation to any securities, from making improper use of it to gain directly or indirectly, an advantage for himself or for any other person. In ensuring that BOD, Committee Members, Senior management and all employees of PNB Group comply with these requirements, a Chinese Wall Policy was established which acts as a mechanism to avoid conflict of interest and insider trading. Those who breach the provisions stated in the Chinese Wall Policy may be subject to investigation and Disciplinary Action by PNB Group and may ultimately expose violators to legal sanctions of law, particularly the relevant securities industry statutes or regulations.

Personal Trading

Personal trading by employee of PNB Group is subject to prevailing guidelines, rules and regulations issued by regulators from time to time. PNB Group established a strict policy on personal trading. An employee who intends to conduct personal trading on permissible securities or investments shall exercise due diligence and comply with personal trading policy of PNB Group especially on conditions or restrictions imposed by the policy.

Illegal Front Running

Illegal front-running which is known as tailgating, is also another form of unethical practice, as it takes advantage of private information that is not available to the public. To avoid situations of front running, and to uphold the credibility and integrity of PNB Group, we have put in place adequate control measures as stated in PNB Group's Chinese Wall Policy.

4.6 ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING

The AMLA Policy of the PNB Group provides the guidelines in conducting business with all other relevant parties. Under this policy, we will only conduct business with parties that are engaged in legitimate business activities, with funds derived from legitimate sources. We perform due diligence on all new clients to ensure the integrity and ethical aspects of their business and also undertake the following actions:

- Perform the Business-based Risk Assessment on the clients and determine their risk appetite level;
- Perform the Relationship-based Risk Assessment to determine the risk parameter for customers profiling; and
- Formulate, implement and apply the business and customer risk management and mitigation control.

4.7 CORPORATE SOCIAL RESPONSIBILITY, DONATIONS AND SPONSORSHIPS

Any CSR activities, donations and sponsorships made or received, must not be used as a conduit to circumvent, avoid or evade the laws. The same shall not be used as a medium to facilitate fraud, illegal and money laundering activities. All CSR, donations and sponsorships made or received must be carefully evaluated for legitimacy and not be made to improperly influence business outcome. The recipients of CSR activities, donations and sponsorships must be of legitimate organisations or third parties and due diligence must be applied to ensure the benefits reach the intended recipients whilst the programmes meet the intended objectives. No CSR, donations and sponsorships shall be made to a beneficiary who is controlled or influenced by any political officials or are politically linked. Any CSR, donations or sponsorships to be contributed must be approved by the PGCE and in accordance with the approval limits and relevant existing policies and procedures of PNB Group. As a guide, for a charitable payment to be considered acceptable, it should always be:

- of a reasonable value, quantity and frequency;
- of a nature that is relevant to the business and circumstances relating to PNB Group;
- directly related to PNB Group's business interest;
- permissible under the law; and
- respectful to this CoBE.

4.0 OUR CONDUCT IN DEALING WITH STAKEHOLDERS

The following principles should apply to any CSR, donations or sponsorships made or received by PNB Group:

- It must not be in conjunction with or in relation to the negotiation of any bid, tender, contract renewal or prospective business relationship with parties associated with the receiving individual or entity;
- It will not be used directly or indirectly to improperly influence any person's act or to make a decision in favour of PNB Group;
- It should be intended to enhance the image and reputation of PNB Group and should not place any apparent risk to the image and reputation of PNB Group;
- It must not be made or received in relation to any political activities;
- There should not be any conflict of interest, or any perceived conflict of interest, between PNB Group, its BOD, Committee Members, senior management and employees of PNB Group and the sponsored individual, entity or event;
- PNB Group must assess the specific obligations that must be undertaken as result of the CSR, donations or sponsorships prior to the grant or receiving of the same; and
- BOD, Committee Members, senior management and employees of PNB Group are prohibited from directly or indirectly providing or receiving any CSR, donations or sponsorships in the course of his/her employment as a way to obtain a personal advantage in a commercial transaction.

BOD, Committee Members, senior management and employees of PNB Group are entitled to make charitable donations and sponsorships in their individual and personal capacity, and not as representatives of PNB Group. Any decision to do so is entirely personal and voluntary, and a private matter, provided always it is made in good faith and shall not give rise to any actual, potential or perceived conflicts of interest or bribery.

4.8 MANAGEMENT OF SUPPORT LETTERS

BOD, Committee Members, senior management and employees of PNB Group are **prohibited** from procuring or attempt to procure or submit Support Letters in order to support applications or influence decision makings, and using Support Letters as basis for consideration or direction in decision makings.

Any Support Letters received by BOD, Committee Members, senior management and employees of PNB Group shall be reported to PGCE or Chief Integrity Officer/Integrity Department.

In the event that Support Letters are received as part of submission of documents, the same shall be evaluated based on merit and prudence, and shall require the necessary approval by the authorised person as per the authority limit, and the decision making shall not be unduly influenced by such support letters received.

5.0 OUR CONDUCT IN DEALINGS WITH PUBLIC OFFICIALS AND REGULATORS

5.1 COMPLIANCE CULTURE

Being a regulated licensed institution, we are obligated to comply with the laws and regulations under which we operate. It is fundamental to whom we are and any violations, or engagement in unfair, deceptive and abusive act/practices may weaken customers' confidence and put our reputation at risk. In addition, we are subjected to the requirements of the regulatory bodies such as the SC, BNM, CCM, EPF, FIMM and MACC.

5.2 DEALING WITH PUBLIC OFFICIALS

We have always maintained transparent and fair relationships with government agencies and public officials. Public officials mean individuals having public official functions or acting in a public official capacity. Any business relationship with PNB Group involving interest of a public official who otherwise has a direct relationship with PNB Group, and which interest is not prohibited by PNB Group's Code of Conduct, requires disclosure. In addition, the management's specific approval for establishing business relationships with such customers must be obtained at the appropriate committee level.

All employees of PNB Group are prohibited from paying for non-business travel, entertainment and hospitality for any public official or his/her family members at any amount without the permission from the PGCE. If approval is obtained, employees must ensure the gifts are allowed as per the gift, hospitality and entertainment policy of PNB Group and not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity.

5.3 DEALING WITH REGULATORS




We strive to build transparent relationship with the regulators and deal in an open, co-operative and timely manner. Certain departments within PNB Group may be subject to formal or informal queries, and examination by regulators, authorities and government agencies. In this event, employees need to understand proper procedures in engaging with regulators, and to comply with certain necessary approvals.

6.0 WHERE CAN YOU GO FOR MORE INFORMATION?

All employees must confirm receipt of the copy of this CoBE, and are required to read, fully understand and comply with this CoBE. Where applicable, the CoBE is to be read appropriately in accordance with the relevant legislations. All employees of PNB Group are required to observe all legislations which may have a more comprehensive coverage on the subject matters contained in this CoBE. External parties, business associates and other stakeholders are encouraged to also read and understand this CoBE.

This CoBE most certainly cannot address each and every situation and therefore, there will be circumstances where there are no clear answers in the choices that needs to be made. We are however, obligated at all times to exercise good judgement and utmost integrity and honesty in all our decisions. Should you require clarification, please contact the Human Capital Division or Integrity Department of PNB. For employees of PNB Group, you may refer to your Employees Handbook, which is available at our intranet HR Avenue for further reference. This CoBE shall be reviewed every three years and/or updated when any key changes or modifications is required to ensure its relevance and adequacy.

Interested parties may direct their queries to the Integrity Department of PNB at the following channels:

-  Tel No. : 03 – 2639 3797
-  Email : integrity@pnb.com.my
-  Address : Integrity Department
Permodalan Nasional Berhad
Level 89, Menara Merdeka 118
Presint Merdeka 118
50118 Kuala Lumpur

Any complaints pertaining to whistleblowing can be lodged through: http://www.pnb.com.my/07_2Whistleblowing_EN.php



CODE OF BUSINESS ETHICS

RECEIPT AND ACKNOWLEDGEMENT

I, _____, Staff No.
_____, hereby confirm receipt of a copy of the
PNB Group Code of Business Ethics ("CoBE"), which I acknowledge
I am required to read, fully understand and comply with.

Signature:

Date:

WHISTLEBLOWING POLICY OF PNB GROUP

VERSION : 07/2024
DATED : 30 MAY 2024
OWNER : INTEGRITY DEPARTMENT

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1. Introduction

- 1.1 Whistleblowing can be defined as the deliberate, voluntary disclosure or reporting of an individual or organisation malpractice, wrongdoings or suspected improper conduct within the organisation by any person.
- 1.2 PNB Group (as defined herein) observes high standards of business and personal ethics in carrying out its duties and responsibilities. PNB Group upholds honesty and integrity in fulfilling its roles and to comply with all relevant laws and regulations.
- 1.3 In line with the Whistleblower Protection Act 2010, and good corporate governance practices, PNB Group encourages all concerned parties to highlight any concerns of Improper Conduct (as defined herein) without fear of detrimental action, victimisation or discriminatory treatment.

2. Scope of Policy

- 2.1 This Policy (as defined herein) is intended to facilitate disclosures by stakeholders relating to corruption/bribery, wrongdoings, malpractices, misdemeanor, illicit dealings, offensive behaviour, indiscipline, any violation of established policies and procedures of PNB Group or any action harmful to the reputation and interest of PNB Group in its commitment to promote greater level of transparency and accountability. It is also meant to assist PNB Group in preventing or reducing undesired effects of Improper Conduct in its efforts to achieve continual improvement.
- 2.2 This Policy covers all complaints of Improper Conduct concerning BOD (as defined herein) members, Senior Management (as defined herein) and Employees (as defined herein) of PNB Group (as defined herein), and any other person providing services to PNB Group, including but not limited to consultants, vendors, trainers, independent contractors, suppliers, agents, external agencies and/or any other party with a business relationship with PNB Group.
- 2.3 Any concerned party who discovers or becomes aware or having reasonable belief or genuinely suspect that any person mentioned in Clause 2.2 above has engaged, is engaged or is preparing to engage in any Improper Conduct may become a Whistleblower by disclosing his/her concerns in accordance with this Policy.
- 2.4 In the event the Whistleblower (as defined herein) is an Employee of PNB Group, the Employee shall not attempt to investigate the Improper Conduct personally or interrogate any suspect he/she believes to be involved.
- 2.5 This Policy excludes any issue, complaint or concern about:

- i) matters which are trivial or frivolous or malicious or vexatious in nature or motivated by personal agenda or ill will;
- ii) matters covered by Grievance Procedure (as defined herein);
- iii) matters pending or determined through the disciplinary proceedings; and
- iv) matters pending or determined through any tribunal or authority or court, arbitration or other similar proceedings.

3 Definitions and Interpretations

<u>Term</u>	<u>Definition</u>
Board Compliance Committee	: Compliance Committee of the Board of Directors of PNB.
BOD	: The Board of Directors of PNB Group.
CIgO	: Chief Integrity Officer of PNB.
COBE	: Code of Business Ethics of PNB Group
Confidential Information	: Any information that is by its nature confidential or sensitive and/or not generally made available to the public and in this Policy, shall include but not limited to: <ul style="list-style-type: none"> (a) information about the identity, rank, position or other personal details of a Whistleblower; or (b) a person against whom a Whistleblower has made a disclosure; or (c) information disclosed by a Whistleblower; or (d) information that, if disclosed, may cause detriment to any person.
Disciplinary Action	: 'Disciplinary Action' as stated in Articles 22 and 23 of the Employee Handbook of PNB.
Employee	: Employee as defined by the Employee Handbook of PNB.
Good Faith	: 'Good Faith' is evident when the complaint is made without malice or consideration of personal benefit and the concerned party has a reasonable basis to believe that the complaint is true. Good Faith is lacking when the disclosure is known to be trivial or frivolous or malicious or vexatious in nature or motivated by personal agenda or ill will.
Grievance Procedure	: The Grievance Procedure as stated in Article 24 of the Employee Handbook of PNB.

<u>Term</u>	<u>Definition</u>
Improper Conduct	: Any conduct or behaviour that is against any rules, laws, regulations, policies or procedures which may constitute as a disciplinary or criminal offence provided in Appendix A of this Policy. The list is not exhaustive and may be updated from time to time.
Integrity Department	: Integrity Department of PNB
Investigation Officer	: Officer in the Integrity Department of PNB or any officer authorised by CIgO to conduct investigation.
MACC	: Malaysian Anti-Corruption Commission.
MNPI	: Material Non-public Information as defined in the Guidance Note on Controls by Fund Management Companies in Managing Material Non-Public Information issued by Securities Commission Malaysia on 22 April 2021.
MWBC	: Management Whistleblowing Committee authorised by the Board Compliance Committee to assist in the investigation of the complaint and perform its functions consistent with its terms of reference.
PGCE	: President and Group Chief Executive of PNB.
PNB	: Permodalan Nasional Berhad (Registration No.: 197801001190 (38218-X)).
PNB Group	: PNB and/or the following entities, whichever is applicable: (a) Amanah Saham Nasional Berhad; (b) Pelaburan Hartanah Nasional Berhad; (c) PNB Merdeka Ventures Sdn Berhad; (d) PNB Research Institute Sdn. Bhd; and (e) Any other company and/or entity sanctioned by the BOD.
Policy	: Whistleblowing Policy of PNB Group.
Senior Management	: Employee of PNB Group with position from Senior Vice President, Grade 20, up to PGCE, Grade 24.
Subject	: A person who is the subject of an allegation of Improper Conduct (alleged offender).
WPA 2010	: Whistleblower Protection Act 2010.
Whistleblower	: Any concerned party who makes a disclosure of Improper Conduct.

4 Reporting Procedures

4.1 The Complaint

4.1.1 A Whistleblower shall make a disclosure of Improper Conduct either using the prescribed form (Appendix B) or through any of the following channels but not limited to:

- (a) **Telephone Line:** +603-26393797
- (b) **Emails:** CIGO@pnb.com.my; **or** BCC_Chairman@pnb.com.my
- (c) **Mail Address:** Chief Integrity Officer
Permodalan Nasional Berhad
Level 89, Menara Merdeka 118
Presint Merdeka 118
50118 Kuala Lumpur; **or**
Chairman of Board Compliance Committee
Permodalan Nasional Berhad
Level 91, Menara Merdeka 118
Presint Merdeka 118
50118 Kuala Lumpur
- (d) https://www.pnb.com.my/02_8CorruptionFree_EN.php

4.1.2 CIGO, the Board Compliance Committee or the BOD, where applicable, reserves the right to investigate or direct an investigation into any anonymous complaint which merits investigation. In the event that the identity of the person making the anonymous complaint is subsequently identified, he/she shall be required to make a formal disclosure of such Improper Conduct.

4.1.3 Upon receiving a complaint, the Whistleblower will be provided with an acknowledgement of receipt of the report of the Improper Conduct.

4.1.4 In cases where further investigation is not warranted, and/or do not fall within the scope of this Policy, the complaint shall be forwarded to the relevant business units concerned for their further action and shall be recorded in the record/register of complaints.

4.2 Cases That Require Immediate Reporting to Authorities

In the event that a Whistleblower provides strong evidence of possible criminal/corruption offence that requires immediate reporting to the authorities, referral to the relevant enforcement agency shall be managed by

CIgO, upon obtaining consent from Chairman of the Board Compliance Committee or Chairman of the Board of Directors PNB.

4.3 Cases Concerning Employees of PNB Group

4.3.1 Save for Clause 4.2 above, if the complaint falls within the scope of this Policy and involve any Employee, the Investigation Officer will conduct a preliminary investigation of Improper Conduct and prepare a report findings.

4.3.2 The findings of the preliminary investigation shall be presented to the MWBC for review.

4.3.3 Upon review of the findings of the preliminary investigation, the MWBC may recommend to undertake the following:

(a) Instruct the Investigation Officer to commence a full investigation in the event the preliminary findings clearly indicate suspicious circumstance; or

(b) In cases where the preliminary findings disclose a possible violation of law that may constitute a criminal offence, recommend if the matter should be referred to the relevant authorities, such as the police or the MACC for further action; or

(c) Determine any other course of action that the MWBC deems fit with regard to the circumstances of the matter reported and the fairness of the conduct of any investigation, including but not limited to making recommendations to the Human Capital Division, PNB to impose disciplinary actions on the said Employee; or

(d) Instruct the matter to be closed in the event the preliminary findings clearly indicate that there are no circumstances that warrant a full investigation.

4.3.4 In circumstances where a full investigation is to be conducted, the Investigation Officer and/or an investigation team appointed by MWBC will review and investigate the complaint, prepare and present the report findings to MWBC for further review and conclusion.

4.3.5 In the event that a full investigation is being conducted, all Employees or stakeholders involved shall give their full cooperation to any investigation conducted.

- 4.3.6 In line with the Integrity Charter and Framework of the PNB Group on the authority and access of Integrity Department, the Investigating Officer or investigation team appointed by MWBC, shall have free and unrestricted access to all records, including but not limited to the authority to examine, obtain and make copies of all or any portion of the contents of documents, files, electronic data and/or in other storage facilities, as it deemed necessary to assist in the investigation of the complaint.
- 4.3.7 Upon conclusion of the investigation, the Investigation Officer or investigation team together with MWBC shall make appropriate recommendation to the Board Compliance Committee.
- 4.3.8 If the full investigation findings suggest a possible criminal/corruption offence, the findings will be escalated to the BOD for final and binding decision where the BOD may decide to forward the complaint to the appropriate authorities for further action.
- 4.3.9 In the event of findings related to any possible breach of the internal policies, procedures, Employee Handbook of PNB or COBE, that does not constitute possible criminal/corruption offences, the Board Compliance Committee may decide for the matter to be escalated to Chief Human Resource Officer for disciplinary or other action in accordance with the Employee Handbook of PNB and/or Consequence Management Framework of PNB Group and notify the BOD of the decision by the Board Compliance Committee.
- 4.3.10 All cases received by PNB Group in relation to Improper Conduct shall be reported by Integrity Department of PNB to the Board Compliance Committee, BOD and MACC on periodic basis.
- 4.3.11 In all cases, Integrity Department of PNB shall maintain a record/register of all complaints and will track their receipt, investigation and resolution thereof.
- 4.4 Cases Concerning Members of the BOD and Senior Management of PNB Group
 - 4.4.1 Where necessary, a Whistleblower may also report his/her complaint directly to the Board Compliance Committee or BOD via email address BCC_Chairman@pnb.com.my, when the complaint involves members of the BOD or Senior Management of PNB Group including CIgO. In such event and save for Clause 4.2 above, the Board Compliance Committee or BOD will instruct CIgO and/or any party

appointed by the Board Compliance Committee or BOD to conduct investigation on the complaint.

4.4.2 The findings of the investigation shall be presented to the BOD, for review and decision.

4.4.3 If the findings of the investigation relate to weaknesses in the current policies and procedures, BOD will decide the corrective action to be taken to mitigate the risks of such Improper Conduct recurring and/or necessary action to be taken (if any) / report to relevant authority for criminal offence.

4.4.4 All cases received by PNB Group in relation to Improper Conduct shall be reported by Integrity Department of PNB to the Board Compliance Committee, BOD and MACC on periodic basis.

4.5 Whistleblowing Process Flow

The Whistleblowing process flow is presented in Appendix C.

4.6 Others

4.6.1 A Whistleblower may report his or her complaint directly to PGCE or Board Compliance Committee or BOD when the complaint involves CIgO. In such event, the reporting procedures as stated in Clause 4 shall remain except CIgO is excluded as the case may be and PGCE or Board Compliance Committee or BOD shall appoint a person to undertake CIgO's functions under this Policy.

4.6.2 A Whistleblower who wishes to withdraw his or her complaint is required to write to CIgO or Board Compliance Committee or BOD of his or her withdrawal request.

5 Protection of the Whistleblower

5.1 Where the Whistleblower is an Employee, the Employee who discloses the Improper Conduct shall be protected against any revelation of his/her identity.

5.2 The Employee who discloses the Improper Conduct shall not be subject to any act of retaliation, reprisal or detrimental action including harassment, threat, intimidation, victimisation, discriminatory treatment or Disciplinary Action provided such disclosure is made in Good Faith.

- 5.3 A Whistleblower protection conferred under this Policy is not limited or affected in the event that the disclosure of Improper Conduct does not lead to any disciplinary action or prosecution of the subject of the said disclosure.
- 5.4 Notwithstanding the above, the protection is limited only on matters relating to internal policies of the PNB Group and on matters within the purview and authority/jurisdiction of the PNB Group.
- 5.5 An Employee who has lodged a report may not avail him/herself to the protection against Disciplinary Action mentioned in Clause 5.2 above in the following circumstances:
- (a) If the report of Improper Conduct is not made in Good Faith; or
 - (b) If the Employee him/herself is partly or wholly involved/ participated in the Improper Conduct reported; or
 - (c) The report of Improper Conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
 - (d) The Employee discloses any matter knowingly to be false and of a fabrication; or
 - (e) The Employee breaches his/her obligations of confidentiality under this Policy.
- 5.6 In the event that the Whistleblower requires protection other than those specified in this Policy, the Whistleblower shall communicate his/her intention to CIgO and/or any party appointed by the Board Compliance Committee or BOD who in turn will facilitate the disclosure of Improper Conduct to the relevant enforcement agency. The Whistleblower may also decide to directly report to any enforcement agency.
- 5.7 Under both circumstances, the Whistleblower will be protected under WPA 2010 and any detrimental action taken against him/her is an act or offence which will be subjected to penalties under WPA 2010.

6 Confidentiality

- 6.1 Any person having knowledge of a report of Improper Conduct shall make all reasonable efforts to maintain the confidentiality of the Confidential Information, in particular the identity of the Whistleblower.
- 6.2 The Whistleblower, the recipient of the report made under this Policy or any person who is involved in the investigation process shall not disclose information relating to report of Improper Conduct or any part thereof, proceedings or outcome, except where:

- i) report is made to those who are authorised under this Policy and have a legitimate need to know; or
 - ii) report is made to any third party on a strictly confidential basis for the purposes of obtaining professional advice; or
 - iii) report is required by law or any statutory authority.
- 6.3 Any person entrusted with handling report may be subject to Disciplinary Action if he/she is found to disclose the report to any other party.
- 6.4 The Whistleblower is solely responsible if he/she chooses to disclose the Improper Conduct to external parties or authorities not specified within this Policy.

7 Monitoring and Review of the Policy

- 7.1 This Policy shall be reviewed by Integrity Department of PNB every three (3) years and/or amended when any key changes or modifications are required, to ensure its relevance and effectiveness and in keeping with the changing business environment or administrative or operational needs of PNB Group.
- 7.2 For avoidance of doubt, the WPA 2010, shall be the main reference in respect of any revision, amendment or deletion made thereof to this Policy.

APPENDIX A**Whistleblowing List of Improper Conduct**

As a guide, the types of Improper Conduct covered under this Policy shall include but not limited to the following examples:

1. Soliciting, accepting or giving bribe or any illegal gratification.
2. Breach of fiduciary relationship as provided in the Employee Handbook of PNB.
3. Gross negligence and neglect of duty as provided in the Employee Handbook of PNB.
4. Participating in unauthorised financial transactions or financial transactions that are sanctioned by PNB Group.
5. Fraud, dishonesty, cheating, falsification or attempt of the same in connection with PNB Group's business, money or property as provided in the Employee Handbook of PNB.
6. Theft, pilferage, misappropriation or attempt of the same of PNB Group's money or property.
7. Breach of Conflict-of-interest Policy of PNB Group.
8. Spreading malicious rumors about PNB Group.
9. All forms of harassment including but not confined to unwelcome verbal or physical advances and sexually, racially or otherwise derogatory or discriminatory statements or remarks.
10. Commission of any subversive act as provided in the Employee Handbook of PNB.
11. Commission of any act that brings disrepute, embarrassment or affects the legitimate interest of PNB Group or ruins the image of PNB Group.
12. Conduct which is likely to cause injury or endanger the life or safety of another person within PNB Group's premise.
13. Misrepresentation of PNB Group to others.
14. Gross wastage or excessive/imprudent spending of materials and resources of PNB Group.
15. Misuse of MNPI.
16. Breach of any laws, rules, regulation or any policies and procedures including but not limited to PNB Group's COBE and Employee Handbook of PNB.

The above examples are not exhaustive and all incidents of suspected malpractice, whether or not described, will be fully investigated, where there are sufficient grounds to do so.

APPENDIX B**Whistleblowing Complaint Form**

PNB Group is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, PNB Group expects whoever have concerns about any suspected Improper Conduct within PNB Group to come forward and voice those concerns.

1. Please specify the nature of the improper activity(ies) you want to complain:

- Abuse of Power
- Bribery
- Fraud
- Obstruction
- Non-compliance
- Other

2. **YOUR INFORMATION**

- Name:
- Phone No.:
- Email Address:

2. **COMPLAINANT INFORMATION (THE PERSON YOU ARE COMPLAINING ABOUT)**

Subject 1

- Name:
- Designation:
- Unit/Department/Division:
- Company (if the Subject is not an employee of PNB Group) :

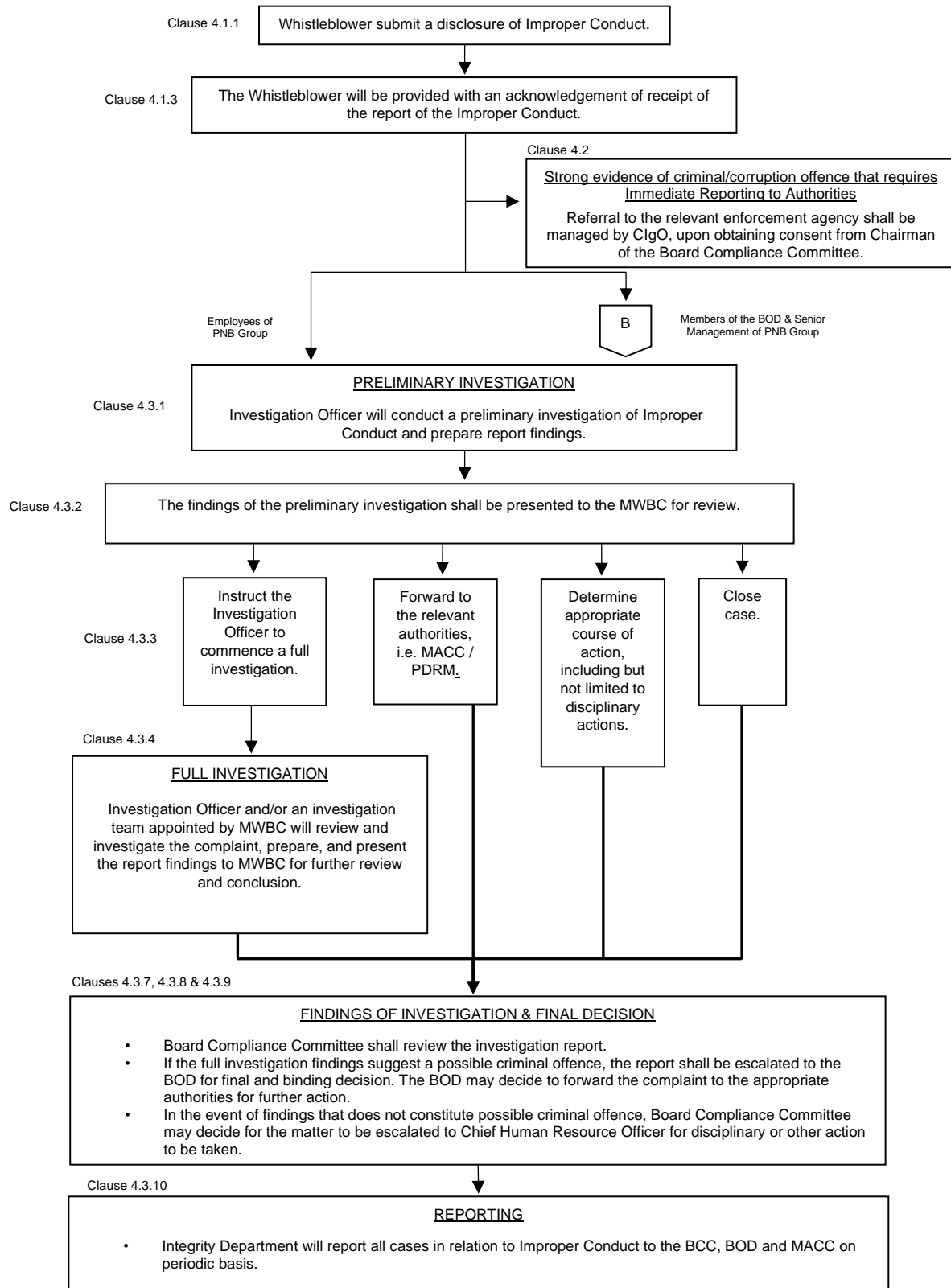
Subject 2

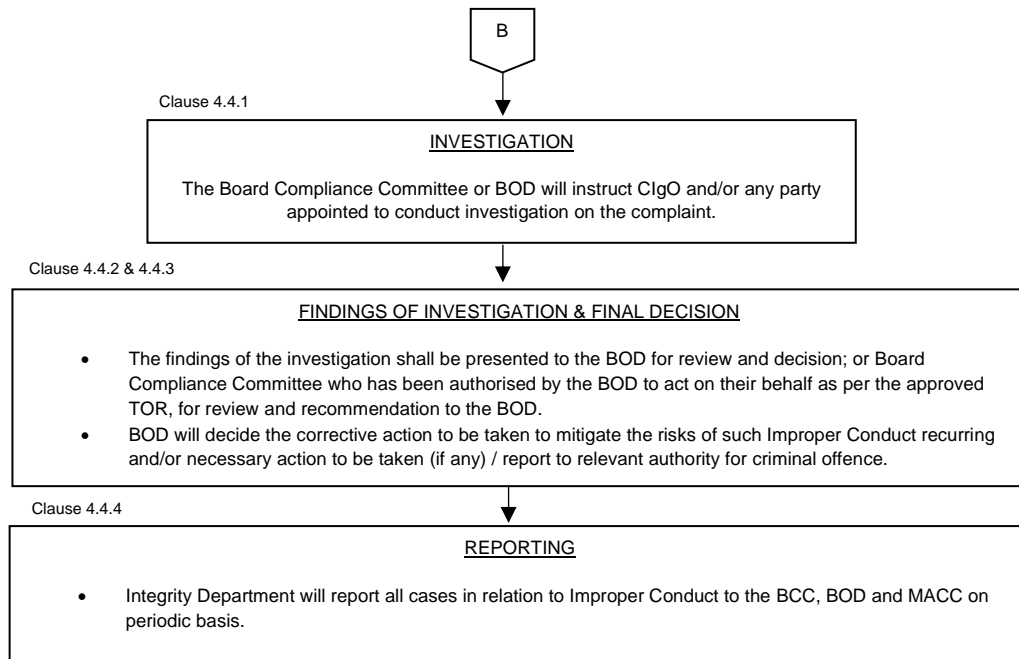
- Name:
- Designation:
- Unit/Department/Division:
- Company (if the Subject is not an employee of PNB Group) :

3. **ALLEGATION(S)**

Briefly describe the improper activity(ies) and how you know about them.
Specify who, what, when, where and how.

This Whistleblowing Complaint Form shall be treated as confidential and shall not be disclosed to any other party without proper authorisation.

APPENDIX C**Whistleblowing Process Flow**





PROCUREMENT INTEGRITY PACT OF PNB GROUP

VERSION: 03

DATED: 4 JUNE 2024

OWNER: INTEGRITY DEPARTMENT OF PNB

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PREFACE

This Procurement Integrity Pact of PNB Group (“Integrity Pact”) explains the policy of PNB Group (as defined herein) with regard to prevention of potential Corruption (as defined herein) activities in procurement related processes performed by PNB Group in order to be in-line with the regulatory requirement for an organisation to have adequate procedures in place.

The main objective of this Integrity Pact is to enhance transparency and accountability, which shall indirectly reduce and eradicate Corruption. It is aspired that with this initiative, all related procurement processes conducted by PNB Group will be carried out more effectively, efficiently, with transparency and accountability, and free from Corruption. The formulation of this Integrity Pact also takes into consideration the other applicable policies and procedures pertaining to procurement processes of PNB Group.

The Board of Directors and each employee of PNB Group who are involved in procurement processes are responsible and accountable to ensure that such execution of the declarations as specified in this Integrity Pact is undertaken as required. PNB Suppliers (as defined herein) and Professional Service Providers (as defined herein) are also required to execute the relevant declaration under this Integrity Pact within the stages stipulated herein.

DEFINITION

Abbreviation / Term	Full Terminology / Definition
BOD	Board of Directors of PNB Group.
Business Associate(s)	Business counterparties, vendors, suppliers, consultants, agents, advisers, contractors, and subcontractors with respect to the work performed for, or services provided to PNB Group. Business Associate(s) shall also include clients, customers, joint venture partners, consortium partners, outsourcing providers, intermediaries, and investors.
Corruption	The act of either promising, offering, directly or indirectly, to a person in authority or the act of soliciting, giving, accepting or receiving gratification, directly or indirectly, to/from a person in authority either in the form of money, services or valuable goods as an inducement or reward to or not to do an act in relation to the person's principal affairs.
Gratification	As defined in Section 3 of the MACC Act 2009 (as defined herein).
Integrity Pact	Procurement Integrity Pact of PNB Group.
Investment Committee	The Investment Committee of PNB (as defined herein), appointed by the BOD to implement certain delegated duties and responsibilities and thereby act as the monitoring body for the BOD to ensure that investments are undertaken in accordance with the investment mandate and in line with all relevant rules, laws, and regulations including but not limited to approving the appointment and termination of panel stockbrokers, financial institutions, fund managers, custodians, advisors/consultants, and other relevant investment/financial service providers.
MACC Act 2009	Malaysian Anti-Corruption Commission Act 2009.
PNB	Permodalan Nasional Berhad (Registration No. 197801001190 (38218-X)), a Capital Markets Services License holder, which is licensed for fund management in relation to portfolio management.

PNB Group	<p>PNB and/or the following entities, whichever is applicable:</p> <ul style="list-style-type: none"> (i) Amanah Saham Nasional Berhad (Registration No.197901003200 (47457-V)); (ii) Pelaburan Hartanah Nasional Berhad (Registration No. 198801008611 (175967-W)); (iii) PNB Merdeka Ventures Sdn Bhd (Registration No. 200001015384 (517991-A)); (iv) PNB Research Institute Sdn Bhd (Registration No. 198501007000 (139442-U)); and (v) Other company and/or entity sanctioned by the BOD of PNB.
PNB Group CoBE	Code of Business Ethics of PNB Group which specifies the policies which govern the business conduct in relation to the BOD and employees of PNB Group, its stakeholders, as well as business counterparties.
PNB PSP	<p>PNB Professional Service Providers which shall include:</p> <ul style="list-style-type: none"> (i) PNB PSP registered with PNB including but not limited to external fund managers, brokers, financial institutions, and law firms; (ii) PNB PSP awarded with assignment by PNB Group; and (iii) Any third parties acting for and on behalf of PNB PSP.
PNB Suppliers	Suppliers of goods and services registered with PNB.
Procurement Committee	The Procurement Committee of PNB consists of senior management of PNB Group with the main function to oversee all procurement matters for PNB Group, particularly the purchase of assets, supplies and services, and disposal of fixed assets. The committee shall act in accordance with its limits of authority stated in the Procurement Policy and the TOR (as defined herein) of the Procurement Committee.
Tender Committee	Tender Committee of the BOD of PNB with key responsibilities include among others, to approve the purchase of assets, suppliers and services for PNB Group. The <u>Tender Committee</u> shall act based on their respective limits of authority stated in the Procurement Policy and the TOR of the Tender Committee.
TOR	Terms of Reference.

BACKGROUND

THIS INTEGRITY PACT IS A COMMITMENT AND UNDERTAKING BY THE BOD AND EMPLOYEES OF PNB GROUP, MEMBERS OF THE PROCUREMENT RELATED COMMITTEES OF PNB (AS DEFINED HEREIN), PNB SUPPLIERS, AND PNB PSP THAT THEY WILL REFRAIN THEMSELVES FROM BEING INVOLVED IN CORRUPTION THROUGHOUT THE PROCUREMENT PROCESSES.

This Integrity Pact has been designed with reference to the Integrity Pacts in Public Procurement – An Implementation Guide developed by Transparency International, a global civil society organisation leading the fight against corruption. It comprises a set of declaration processes by the BOD and employees of PNB Group, and members of the Procurement Committee, Tender Committee, and Investment Committee who are involved in procurement processes as well as PNB Suppliers and PNB PSP. It explains the various stages within the end-to-end procurement work processes conducted where each of them is responsible to execute this Integrity Pact within the stages specified.

Amongst others, the declarations provide that PNB Suppliers and/or PNB PSP are prohibited from offering and/or giving any form of bribe as a mean to obtain a contract or to facilitate procurement processes in PNB Group, whereas the BOD and employees of PNB Group are strictly prohibited from soliciting and/or accepting any kind of bribe from PNB Suppliers and/or PNB PSP, and/or be involved in any form of Corruption. This Integrity Pact also underlines the measures and consequences in the event that any of its provision is breached.

The BOD and employees of PNB Group, PNB Suppliers and PNB PSP are required to sign the designated declarations in this Integrity Pact as an undertaking that they will refrain themselves from getting involved in Corruption throughout the procurement processes. They are also responsible to lodge reports on any occurrence of Corruption in relation to the procurement processes to any PNB Whistleblowing channels and/or the relevant authority(s).

The implementation of this Integrity Pact is also in line with the PNB Group CoBE in which Chapter 4 of the same provides that in doing business professionally, with transparency, and utmost integrity, all appointed brokers/suppliers and vendors shall, upon appointment, sign the integrity declaration with PNB Group.

This Integrity Pact shall be reviewed by Integrity Department of PNB every three (3) years and/or updated when key changes or modifications are required to ensure its relevancy and adequacy.

OBJECTIVES

This Integrity Pact is intended to increase awareness among the BOD and employees of PNB Group, PNB Suppliers and PNB PSP on Corruption offences and subsequently eradicate Corruption such as:

- (i) Offering, giving, seeking, and accepting bribes to/from companies, firms or individuals. Bribe can be in the form of money, gifts, donation, discounts, bonuses, jobs, services, and/or favours.
- (ii) Abuse of power by the BOD or employees of PNB Group in the selection process of companies and firms in which they have vested interest.
- (iii) Forgeries of information, document, and records to influence evaluation process and procurement decisions.
- (iv) False claims/declarations by the BOD and employees of PNB Group, and/or PNB Suppliers and PNB PSP.
- (v) Conspiracy among PNB Suppliers and PNB PSP, and the BOD or employees of PNB Group to obtain jobs/tenders from PNB Group.

STAGES AND WORK PROCESSES OF INTEGRITY PACT IMPLEMENTATION FOR EMPLOYEES OF PNB GROUP

STAGE	WORK PROCESS
<u>STAGE 1</u> Upon reporting for duty	<p>Every new employee of PNB Group shall be required to sign the declaration form as set out in Appendix A. This shall be executed when the employee reports for duty or assumes their duties at the respective entity within PNB Group, and the declaration form shall be kept by Human Capital Division in the employee's personal file.</p>
<u>STAGE 2</u> Yearly renewal of declaration	<p>Every identified employee (*) who is involved directly or indirectly in procurement processes shall be required on an annual basis to make a declaration as set out in Appendix A.</p>

Note:

*Identified employee refers to a member of PNB Group who is involved in procurement activities in the following divisions / departments:

- (i) Corporate Affairs Division
- (ii) Group Finance Division
- (iii) Public Markets Division
- (iv) Strategy Division
- (v) Technology Division
- (vi) Unit Trust Division
- (vii) Human Resource Development Department
- (viii) Legal Department
- (ix) Private Markets Department
- (x) Real Estate Department
- (xi) Strategic Investment Department
- (xii) Treasury Unit of Public Markets Division
- (xiii) Other business units which may be identified as part of the procurement processes.

**STAGES AND WORK PROCESSES OF INTEGRITY PACT IMPLEMENTATION FOR
BOD OF PNB GROUP AND MEMBERS OF PROCUREMENT RELATED
COMMITTEES OF PNB**

The Procurement Related Committees are as follows:

- (i) Procurement Committee;
- (ii) Tender Committee; and
- (iii) Investment Committee.

(collectively, the “Procurement Related Committees of PNB”).

STAGE	WORK PROCESS
<u>STAGE 1</u> Upon appointment as a Member of the BOD / Procurement Related Committees of PNB	Every individual appointed to the BOD of PNB Group/any Procurement Related Committees shall be required to sign a declaration form as set out in Appendix B . A copy of the declaration shall be kept by the Company Secretary/secretariat of the respective Committees in the relevant file.

STAGES AND WORK PROCESSES OF INTEGRITY PACT IMPLEMENTATION FOR PNB SUPPLIERS AND PNB PROFESSIONAL SERVICE PROVIDERS

STAGE	WORK PROCESS
<u>STAGE 1</u> Upon registration of Registered PNB Suppliers / Panel of PNB PSP	Companies applying to be the Registered PNB Suppliers or on the panel of PNB PSP shall be required to execute a declaration as per Appendix C .
<u>STAGE 2</u> Upon renewal of declaration	<p>Registered PNB Suppliers/panel of PNB PSP shall be required to renew their declaration as per Appendix C on a periodical basis depending on their respective risk rating i.e., every year for high risk, every three (3) years for medium risk, and every five (5) years for low risk.</p> <p>This shall be executed during the due diligence process conducted on them.</p>
<u>STAGE 3</u> Upon submission of tender / quotation documents by bidder	Every bidder upon submission of tender/quotation documents shall be required to execute a declaration as per Appendix C , which shall be attached with the tender/quotation submitted.
<u>STAGE 4</u> Upon issuance of letter of acceptance / Other relevant documents	Business owners and/or Legal Department shall ensure that the provisions against Corruption (Statement of Integrity) as stated in Appendix D are included in the relevant contractual documents/agreements.

PROCUREMENT INTEGRITY DECLARATION BY EMPLOYEES OF PNB GROUP

**DECLARATION BY STAFF OF PERMODALAN NASIONAL BERHAD (“PNB”) AND
ITS GROUP OF COMPANIES (COLLECTIVELY KNOWN AS “PNB Group”)**

(Upon reporting for duty and for annual declaration)

1. I hereby declare and undertake that I shall:

- (i) Not directly or indirectly solicit, receive or obtain, or agree to receive or obtain for myself or for any other person any money, goods or service(s), or any gratification as defined under the Malaysian Anti-Corruption Commission Act, 2009 (“MACC Act”) as a consideration or reward for the decision, opinion, recommendation, vote, or other favours for a vendor/vendors to be selected in a tender/quotation;
- (ii) Not collude with any bidder, supplier, or any other individual, in any type of practices including but not limited to “bid rigging” and corruptly procuring withdrawal of tender that may affect the transparency and fairness during any procurement process or activities and during the contract implementation period;
- (iii) Agree to keep confidential all proprietary information and documentations relating to the tender and/or contract in strictest confidence and hereby covenant to take all reasonable measures to protect the secrecy of and avoid disclosure or use of such proprietary information and/or documents to any unauthorised party;
- (iv) Declare that none of my family member(s) or relative(s) as defined under the MACC Act has any interest in any bidder and/or supplier in the foreseeable tender/quotation under my supervision and/or knowledge, and if there is any in the future, I shall immediately declare it with details to the Head of Procurement of PNB and abstain

myself from participating in the aforementioned tender/quotation exercise and/or any task related thereto;

(v) In the event where, whether directly or indirectly, there is any individual of the bidder(s) or representing the bidder(s) or any other individual who offers, gives, or agrees or promises to give any money, goods or service(s), or any form of gratification as defined under the MACC Act for being selected for a tender/quotation, I shall immediately report such matters to the management of PNB or relevant authority(ies); and

(vi) At all material times abide by the Code of Business Ethics of PNB Group and any other relevant policies applicable during the tender/quotation process and the execution of a formal agreement and its implementation thereof.

2. I agree that this declaration of obligation shall remain in full force and effect during my servicewith PNB Group.
3. I duly understand that the failure to comply or any breach of the terms stated in this declaration may result in criminal and/or civil proceedings and/or disciplinary action taken against me, which may include termination or dismissal.

.....

Signature

Name: _____

IC No.: _____

Staff No.: _____

Date: _____

**PROCUREMENT INTEGRITY DECLARATION BY MEMBERS OF THE BOARD OF
DIRECTORS OF PNB GROUP AND PROCUREMENT RELATED COMMITTEES OF PNB**

**DECLARATION BY MEMBERS OF THE BOARD OF DIRECTORS (“BOD”) / PROCUREMENT
COMMITTEE / TENDER COMMITTEE / INVESTMENT COMMITTEE OF PNB**

(Upon appointment as a member of the BOD or of the Procurement Related Committees of PNB)

1. I, as the Chairman/a member of the _____ of _____
(Permodalan Nasional Berhad / Committee’s Name), hereby declare and undertake that I shall:

- (i) Not directly or indirectly solicit, receive or obtain, or agree to receive or obtain for myself or for any other person any money, goods or service(s), or any gratification as defined under the Malaysian Anti-Corruption Commission Act, 2009 (“MACC Act”) as a consideration or reward for the decision, opinion, recommendation, vote, or other favours for a vendor/vendors to be selected in a tender/quotation;
- (ii) Not collude with any bidder, supplier, or any other individual, in any type of practices including but not limited to “bid rigging” and corruptly procuring withdrawal of tender that may affect the transparency and fairness during any procurement process or activities and during the contract implementation period;
- (iii) Agree to keep confidential all proprietary information and documentations relating to the tender and/or contract in strictest confidence and hereby covenant to take all reasonable measures to protect the secrecy of and avoid disclosure or use of such proprietary information and/or documents to any unauthorised party;

(iv) In the event where, whether directly or indirectly, there is any individual(s) or the bidder(s) or supplier(s) or representing the bidder(s) or supplier(s) or any other individual(s) who offers, gives, or agrees or promises to give any money, goods or service(s), or any form of gratification as defined under the MACC Act for being selected for a tender/quotation, I shall immediately report such matters to the management of PNB or relevant authority(ies);

(v) Abide by the Code of Business Ethics of PNB Group and any other relevant policies of PNB;

(vi) In relation to conflict of interest:

(a) At all material times execute my responsibilities honestly and fairly in the best interests of PNB Group and shall exercise sound judgement unclouded by any personal interests, without coercion, or undue influence by any members of the _____ Committee or any representative of any bidder(s) or supplier(s) of any tender/quotation or any third party, in making any decision in relation to the said tender/quotation exercise;

(b) Declare that none of my family member(s) or relative(s) as defined under the MACC Act has any interest directly or indirectly in any bidder(s) and/or supplier(s) of any tender/quotation submitted to the abovementioned board/committee and if there is any, I shall immediately declare it with details to the Head of Procurement of PNB and abstain myself from participating in whatsoever manner in the said tender/quotation exercise;

(c) Certify that in no way do I have a bias in favour of or against any bidder(s) and/or supplier(s) of this tender/quotation and I understand that such bias would disqualify me from evaluating the proposal; and

(vii) Agree that this declaration obligation shall remain in full force until the contract / assignment has been fully executed and implemented.

2. I duly understand that the failure to comply or breach of any terms of the declaration stated above may result in criminal and/or civil proceedings, or disciplinary action taken against me, including termination or dismissal.

.....

Signature

Name: _____

IC No.: _____

Date: _____

**PROCUREMENT INTEGRITY DECLARATION BY PNB SUPPLIERS / PNB
PROFESSIONAL SERVICE PROVIDERS**

(Upon submission of tender / quotation documents, or appointment / renewal as
registered PNB Suppliers / PNB Professional Service Providers)

For and on behalf of (name of company) ("Company")/Name, I,,
(Registration No./NRIC No.), having its registered /
postal address at ("I/we" or "our" or "us" or
"my/our"), is an external party with business relationship (which includes but are not
limited to business counterparty(ies), business partner(s), joint venture partner(s),
outsourcing provider(s), contractor(s), consultant(s), subcontractor(s), supplier(s),
vendor(s), client(s), adviser(s), agent(s), distributor(s) and/or representative(s)
(collectively, "Business Associate") with Permodalan Nasional Berhad (Registration No.
197801001190 (38218-X)) ("PNB") and/or any of its group of companies (collectively
referred to as "PNB Group").

1. PLEDGE AND UNDERTAKE THAT:

a. I/We have read and fully understood this declaration and hereby agree:

- (i) To comply with the provisions of the PNB Group Anti-Bribery and Anti-Corruption Policy Statement and Code of Business Ethics of the PNB Group ("ABC Policy and CoBE") which are accessible via https://www.pnb.com.my/02_8CorruptionFree_EN.php; and
- (ii) That the ABC Policy and CoBE may be amended by PNB Group from time to time. Any changes shall be notified via the official website of PNB and/or any other mode as determined by PNB Group, and such amendments shall be deemed to become effective as at the date stated in the notification.

b. I/We hereby declare that I/we shall:

- (i) introduce appropriate measures necessary from time to time, in creating awareness amongst our employees, agents, and/or sub-contractor (if any) in our efforts to comply with anti-bribery laws and legislations. The measures that I/we will take include but are not limited to the following:
 - (a) to introduce programs to create awareness on the offences of corruption and bribery;
 - (b) to promote awareness within the organisation on the offences of corruption and bribery;
 - (c) to introduce compliance and/or awareness programs in respect of the relevant code of conduct/code of business ethics or other similar guidelines and/or procedures applicable within the Company rejecting the use of bribes and other unethical behaviour in discharging our responsibilities in the execution of the contract;
 - (d) to remind the importance of disclosure of interest and/or conflict of interest among employees irrespective of rank; and
 - (e) to place procedures on the prevention of corruption by employees, agents, and/or sub-contractors (if any) as and when the circumstance requires.
- (ii) not offer, or give, bribes or agree or promise to give to any director, employee, agent, and/or representative of PNB Group any gratification as defined under the Malaysian Anti-Corruption Commission Act, 2009 ("MACC Act") in the execution of our service. For the purpose of transparency, I/we shall disclose to PNB Group any payment that has been made, is being made, and intended to be made to agents, brokers, or any other intermediaries in connection with the execution of the service.

- (iii) not collude or engage in any anti-competitive conduct or bid-rigging agreements with any party that may affect the transparency and fairness in any procurement process or any execution of the service or any other related process.
- (iv) keep all proprietary information and documentations relating to the service (or any other related process) in strictest confidence and under no circumstances, would the details or information related to the service (or any other related process) be discussed with or disclosed to any third party that has no relation with the purported service (or any other related process).
- (v) agree that in the event that there is evidence I/our employees, agents, and/or sub-contractors (if any) attempting to seek bribe or be involved in corruption during the execution of the service, I/we will promptly take appropriate action not limited to disciplinary action and inform PNB Group on such action taken.
- (vi) agree that in the event that I/we through our employees, agents, and/or sub-contractors (if any), commit or attempt to commit an act of bribery or otherwise engage in or attempt to engage in corruption during the execution of the service. I/we hereby agree for the following actions to be taken by PNB Group after due inquiry or investigation:
 - (a) Retraction of appointment or termination of contract;
 - (b) Forfeiture of the bidding security and/or performance bond, where applicable;
 - (c) Claim for loss and damages incurred by PNB Group;
 - (d) Suspension as a Business Associate of PNB Group for an appropriate period of time as determined by PNB Group and/or blacklisted from future registration;

- (e) Disqualification from the provision of the professional service for PNB Group;
 - (f) Exclusion from participation in future tender submission process for PNB Group; and/or
 - (g) Any other actions or legal actions as decided by the management of PNB in accordance with the rules and regulations of PNB Group then in force.
- (vii) agree that notwithstanding the above, I/we in our effort to enhance and strengthen high ethics and integrity practices may opt to channel concerns about illegal, unethical or improper business conduct affecting us and PNB Group through any of the following whistleblowing channels, not limited to:

(a) The whistleblowing channels of PNB Group, as specified below:

Telephone Line : +603-26393797

Email : (1) ClgO@pnb.com.my
(2) BCC_Chairman@pnb.com.my

Mailing : (1) Chief Integrity Officer,
Compliance & Integrity Division,
Permodalan Nasional Berhad,
Level 89, Menara Merdeka 118,
Presint Merdeka 118, 50118, Kuala Lumpur; or

(2) Chairman of Board Compliance Committee,
Permodalan Nasional Berhad,
Level 91, Menara Merdeka 118,
Presint Merdeka 118, 50118, Kuala Lumpur.

PNB Website : https://www.pnb.com.my/02_8CorruptionFree_EN.php

(b) Lodge a report to the Malaysian Anti-Corruption Commission's office or at the nearest police station.

(c) Any whistleblowing channel that is available to the Company.

2. I/WE FURTHER AGREE THAT:

- a. This declaration shall become effective and binding from the date of its signing and shall continue to be valid until completion of the service to be rendered.
- b. The provisions set out in this declaration shall form part of terms and conditions of my/our appointment and/or contract of service.
- c. The signatory to this declaration is fully authorised to sign on behalf of the Company. Where applicable and upon request by PNB Group, the Company shall furnish PNB Group a copy of the requisite letter of authorization and board resolution upon the execution of this declaration.

For and on behalf of

Company Name/Name :

Registration No./NRIC No. :

Designation :

Company Stamp :

Date :

PROVISIONS ON CORRUPTION PREVENTATION TO BE INCLUDED IN
PROCUREMENT CONTRACT/AGREEMENT

STATEMENT OF INTEGRITY

(Upon issuance of Letter of Acceptance / Relevant documents)

1. [Business Associate] hereby undertakes that:
 - a. it has not paid, and shall not pay any bribes or make any offer of a bribe of gift or other inducement ("Bribery") which contravenes the Malaysian Anti-Corruption Commission Act, 2009 (Akta Suruhanjaya Pencegahan Rasuah Malaysia 2009), to [PNB/members of PNB Group], its [related body corporate/group of companies] and/or their respective employees, directors, servants, or agents; or
 - b. it has not been found liable for the act of bid rigging by the Malaysia Competition Commission.
2. [Business Associate] agrees that if [Business Associate] and/or its employees, directors, servants, or agents are found to engage in such activities, then [PNB/members of PNB Group] shall:
 - a. be entitled to immediately terminate this [Agreement]; and
 - b. not be liable to pay all or any part of the [Fees/Charges] payable.
3. [PNB/members of PNB Group] may also report such activities to the relevant authorities, including the Malaysian Anti-Corruption Commission and the police. [PNB/members of PNB Group] shall provide all necessary assistance to the relevant authorities in any subsequent prosecution and [Business Associate] agrees to indemnify [PNB/members of PNB Group] against any liability, claim, proceeding, expense, loss, or damage of any nature whatsoever in respect of the same.

4. Additionally, [Business Associate] further undertakes that it has executed and agreed to comply with and adhere to the Procurement Integrity Declaration, dated [DATE], a copy of which is appended hereto as Appendix [X].



Anti-Bribery Management Systems Manual

Department			Integrity		
Document No	PNB/ABMS	Implementation Date	14.03.2025	Version No.	5

Revision History

Date	Version No.	Description of Change	Prepared By	Verified By	Approved By
15.03.2023	1	(a) Conversion to new template in accordance with SOPF guidelines. (b) Editorial amendments. (c) Item 1.0 (i) – Amendment to reflect the organisational restructuring effective from 27 January 2023 involving the following: i. reclassification of Public Markets Division to Public Markets Business Unit; ii. reclassification of Fund Management Department to Fund Management Division; iii. new establishment of PNB Proprietary Division under Public Markets Business Unit; and iv. name change from Investment Analysis Department to Investment Research Department;	Lili Afriola binti Muchlis/Mohammad Khairul bin Mahrol Puthil	Khuzaimah binti Basran@Toha	Nur' Ain binti Mohd Shaizan

		<p>(d) Item 1.0 (v) – Inclusion of Compliance Department in relation to the scope of Register of Gifts</p> <p>(e) Item 4.3 – Amendment to reflect the changed scope of the ABMS pursuant to the organisational restructuring above.</p> <p>(f) Item 8.5 – Deletion of Employee Integrity Declaration in the Business Associates requirements.</p> <p>(g) Appendix I – Insertion of new Organisation Chart pursuant to the organisational restructuring effective from 1 March 2023.</p> <p>(h) Appendix II – Insertion of the updated PNB Group Anti-Bribery and Anti-Corruption Policy Statement as approved by the BCC, effective from 11 May 2022.</p>			
29.01.2024	2	<p>(a) Item 1.0(v) – amendment to reflect the organisational restructuring effective from 1 January 2024:</p> <p>i. the change of name from Strategic Governance Department to Institutional Governance Department</p> <p>(b) Appendix I – Insertion of new Organisation Chart pursuant to the organisational restructuring effective from 1 January 2024.</p>	Abu Hurairah bin Abd Rahim/ Mohammad Khairul bin Mahrol Puthil	Khuzaimah binti Basran@Toha	Nur' Ain binti Mohd Shaizan
15.03.2024	3	<p>Clause 7.5.3 on document control has been updated to include:</p> <p>(a) Retention period of at</p>	Zulfiella Huzairi Zulkhifli / Mohammad Khairul Mahrol Puthil	Abu Hurairah Abd Rahim	Nur' Ain Mohd Shaizan

		<p>least seven (7) years; and</p> <p>(b) Disposition via shredding for physical documents and secure digital deletion for electronic documents.</p>			
1.10.2024	4	<p>(a) Item 1.0 (i) – Amendment to reflect the organisational restructuring effective from 1 July 2024 involving the following:</p> <ul style="list-style-type: none"> i. new establishment of Investment Operations & Oversight under Public Markets Business Unit; ii. name change from HR Development to Talent & Development Department; iii. name change from HR Operations & Admin Department to HR Operations Department; and iv. Reclassification of Risk Management Department to Risk Management Division. <p>(b) Removal of Clause 3.4 (Core Values) from the manual, as it is not mandatory and is covered in the CoBE.</p> <p>(c) Editorial amendments.</p> <p>(d) Appendix I – Insertion of new Organisation Chart pursuant to the organisational restructuring effective from 1 July 2024.</p>	Nurhanani Yahya/ Mohammad Khairul Mahrol Puthil	Abu Hurairah Abd Rahim	Nur' Ain Mohd Shaizan

14.03.2025	5	<p>(a) Item 1.0 – Amendment to reflect the organisational restructuring effective from 1 December 2024 involving the following:</p> <ul style="list-style-type: none"> i. Inclusion of Public Equity; ii. name change from Equity Market Operations to Global Market Trading & Execution; iii. name change from Transformation to Operations Transformation; iv. deletion of Investment Operations & Oversight, as it has been absorbed into Global Market Trading & Execution; and v. deletion of the wording 'division' & 'department'. <p>(b) Inclusion of climate change provisions in Clauses 4.1 and 4.2.</p> <p>(c) Editorial amendments throughout the manual and Clauses 4.1 and 4.2.</p> <p>(d) Amendments on the Core Activities/ Functions for HRO, HRBPR, TD and PR</p> <p>(e) Appendix I – Insertion of new Organisation Chart pursuant to the organisational restructuring effective from 1 December 2024.</p>	Nurhanani Yahya/ Mohammad Khairul Mahrol Puthil/ Siti Zuraidah Kassim	Myra Mahbob	Nur' Ain Mohd Shaizan
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1. Introduction

PNB has developed this ABMS Manual ("Manual") with the purpose of coordinating all initiatives for the system to prevent, detect and respond to bribery and corruption in selected functions of the organisation in compliance with the requirements of MS ISO 37001:2016 ABMS. This Manual will be subject to review once every year or at such other shorter period deemed necessary.

This Manual shall be referred to the implementation of ABMS throughout PNB, which comprise the following Divisions/Teams:

- (a) Fund Management
- (b) Public Equity
- (c) Proprietary Fund
- (d) Investment Research
- (e) Global Market Trading & Execution
- (f) Fixed Income
- (g) Private Markets
- (h) Real Estate
- (i) Strategic Investments
- (j) Strategic Asset Allocation
- (k) Shareholder Engagement
- (l) Institutional Governance
- (m) Investment Processing
- (n) Finance
- (o) HR Operations
- (p) HR Business Partner & Resourcing
- (q) Talent & Development
- (r) Performance & Rewards
- (s) Procurement
- (t) Company Secretary
- (u) Risk Management
- (v) Operations Transformation
- (w) Integrity
- (x) Compliance

2. Manual Control, Abbreviations, Terms and Definitions

2.1 Manual Control

The custodian of this Manual is the Integrity of PNB.

2.2 Abbreviations, Terms and Definitions

For the purpose of this Manual, the terms, definitions and the following abbreviation apply:

Abbreviations	Definitions
ABMS	Anti-Bribery Management Systems
BCC	Board Compliance Committee of PNB Group
BOD	Board of Directors of PNB
CCM	Companies Commission of Malaysia
CMSA	Capital Markets and Services Act 2007
CMSL	Capital Markets Services License of the SC
CoBE	Code of Business Ethics of PNB Group
Committee Members	Members of all committees established by PNB Group
CRM	Corruption Risk Management
Disciplinary Action	Definition of Disciplinary Action as stated in the PNB Employee Handbook
HRBPR	HR Business Partner & Resourcing
HRO	HR Operations
ICM	Investment Committee Meeting
Integrity Framework	Integrity Charter and Framework of PNB Group
ISO	International Organisation for Standard
PNB K-hub	PNB Knowledge hub
MACC	Malaysian Anti-Corruption Commission
MACC Act	Malaysian Anti-Corruption Commission Act 2009
MCC	Management Compliance Committee
NCR	Non-Conformance Report
OACP	PNB Group Organisational Anti-Corruption Plan 2022 - 2024
PDPA	Personal Data Protection Act 2010
PGCE	President and Group Chief Executive of PNB
PNB	Permodalan Nasional Berhad, a CMSL holder licensed for fund management in relation to portfolio management
P&P	Policies and procedures
PR	Performance & Rewards
SC	Securities Commission Malaysia
SOP	Standard Operating Procedures
TD	Talent & Development
TOR	Terms of Reference
T.R.U.S.T Principles under Adequate Procedures	T-Top level commitment R-Risk Assessment U-Undertake Control Measures S-Systematic Review, Monitoring and Enforcement T-Training & Communication
UTFs	Unit Trust Funds Managed by PNB

3. Organisation Background

Established in 1978, PNB is one of Malaysia's leading asset managers. PNB has the expertise to manage an array of investment portfolios that provide competitive returns to investors. At all times, PNB ensures that the best interests of investors are protected.

As a major player in the fund management industry, PNB has established a reputation as an institution worthy of mobilising and managing unit trust funds of Malaysians. PNB now has investments in over 200 companies from various industries, including finance, plantations, property, and oil & gas.

PNB is responsible to manage funds with the aim to deliver competitive returns to the unit holders; through maintaining high levels of professionalism, discipline and prudence in formulating our investment strategies. It has full support from other related business units to ensure its consistency in performing investment and fund management functions.

PNB adopts a dynamic and disciplined investment process based on:

- Fundamental and research-driven analysis
- Top-down and bottom-up approach
- Proactive risk-management initiatives
- Compliance with regulatory requirements

The objective of delivering competitive returns to unit holders drives the overall investment strategy and risk management initiatives.

3.1 Purpose

To uplift the financial lives of Malaysians across generations.

3.2 Mandate

To enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.

3.3 Organisation Chart

The organisation chart of PNB is presented in Appendix I.

4. Context of the Organisation

4.1 Understanding the Organisation and its Context

PNB has identified external and internal issues that are relevant to its purpose and that affect its ability to achieve the objectives of its ABMS.

Related documented information:

No.	Description	Location
1.	List of External and Internal Issues	Integrity
2.	List of Applicable Laws	Integrity

4.2 Understanding the Needs and Expectations of Stakeholders

PNB has determined the stakeholders that are relevant to the ABMS and the needs and expectations of its stakeholders.

Related documented information:

No.	Description	Location
1.	List of Stakeholders' Needs and Expectations	Integrity

4.3 Determining the Scope of the ABMS

Based on the external and internal issues, the needs and expectations of the stakeholders, and the results of the bribery risk assessment, the ABMS shall cover business processes under PNB, which covers the provision of investment operations encompassing investment analysis, investment strategy, portfolio construction, trading and dealing, performance monitoring, real estate investment and other related activities. The boundaries of the ABMS are as presented below:

Business Owner	Core Activities/Functions
Fund Management	Formulate, strategise, and manage asset allocation across diverse asset classes in both domestic and international markets, as well as monitor the income progress for the UTFs.
Public Equity	Formulate, strategise, and manage public equity asset class investments in both domestic and international markets, for PNB and the UTFs.
Proprietary Fund	Formulate, strategise, and manage asset allocation across diverse asset classes in both domestic and international markets, as well as monitor the income progress for PNB's proprietary fund
Investment Research	Perform analysis on equity and credit securities to provide valuations and recommendations.

Business Owner	Core Activities/Functions
Global Market Trading & Execution	Manage the trade execution of fixed income, OTC derivative and public equity as well as invest in money market instruments to meet liquidity requirement for PNB and the UTFs.
Fixed Income	Formulate, strategise and manage fixed income asset class investments in both domestic and international markets for PNB's proprietary and UTFs.
Private Markets	Manage PNB's proprietary and unit trust portfolios across various strategies in the domestic and international private equity asset class including direct and fund investments generally outlined in Private Investment Framework.
Real Estate	Invest in strategic investments domestically and internationally, property development and construction, hospitality, property and facilities management and land banking.
Strategic Investments	Enhance shareholders' value and safeguard the investments in strategic and core companies of PNB Group via shareholders' activism, initiation and execution of value creation plans.
Strategic Asset Allocation	<ul style="list-style-type: none"> Construct optimal long-term portfolios for all funds under PNB's management including the formulation of long- & medium-term capital market expectations. Evaluate portfolio & asset class risk-return performance against objectives & benchmarks. Generate quantitative research and analytical insights. Assist Corporate Strategy in the formulation of PNB Group's Business Plan and Strategic Plan, and in other strategic matters on ad-hoc basis.
Shareholder Engagement	<ul style="list-style-type: none"> Ensure the exercising of shareholders' voting rights. Promote good corporate governance practices and investor stewardship roles. Promote shareholders activism at the general meetings of investee companies.
Institutional Governance	<ul style="list-style-type: none"> Undertake Board Composition Review to ensure high level of Board effectiveness and rejuvenation. Undertake succession planning and endorsement of appointment / contract renewal of CEOs of strategic & controlled investee companies.
Investment Processing	<ul style="list-style-type: none"> Provide accurate, reliable and dependable reports to internal and external customers, honesty is crucial as all reports generated are confidential. Ensure that PNB comply to the various regulatory bodies in disclosing of substantial share holdings, monitoring of percentage equities in the various companies are of utmost importance and disclosure should be accurate at all times.

Business Owner	Core Activities/Functions
Finance	<ul style="list-style-type: none"> • Provide timely and accurate financial information and efficient financial and investment related services at all times to meet customers' satisfaction. • Follow the standard procedures and strive to be the specialist in finance area to ensure commitment and dedication in meeting the company's objective. • Strive for continuous improvement in providing efficient and effective services to customers through periodic audits, reviews, system enhancement and improvement.
HR Operations	<p>Support the overall functioning and efficiency of the Human Capital Division which aligns to the organisation's overall strategy and core values by way of managing the HR system and employee data, ensuring governance, providing advisory services on compliance and policies, overseeing industrial and employee relations, maintaining legal and regulatory compliance, ensuring workplace health and safety and organising engagement and wellbeing programs.</p>
HR Business Partner & Resourcing	<ul style="list-style-type: none"> • Act as a strategic business partner, change agent, and representation of HC leadership team in the development and implementation of HR interventions which includes resourcing and mobility to achieve business goals. • To attract and recruit individuals into the right role within the organisation using the relevant workforce planning data and right sourcing approaches. • Execute other HR delivery services i.e. mobility, confirmation, employment for contract renewal and exit management.
Talent & Development	<ul style="list-style-type: none"> • Drive organisational growth through talent management, succession planning, enterprise learning and development, and talent outreach programs. • Identify, develop, and engage talent, ensures leadership continuity, delivers targeted learning initiatives across different levels of the organisation, manages internships and trainee programs, and oversees operational aspects like learning related vendor management, learning budgets, and reporting to support strategic goals efficiently. • Provide training programmes that will raise the skills and knowledge of staff members based on their relevant competency through receiving a minimum of 64 hours of training for all staff members.

Business Owner	Core Activities/Functions
Performance & Rewards	<ul style="list-style-type: none"> • Design and implement performance management and rewards strategies that enhance workforce productivity, engagement, and retention. • Align compensation frameworks with market benchmarks in order to ensure market competitiveness and internal equity that support organisational goals. • Develop strategic organisational design that enable career growth, optimise team structures, and foster a high-performing culture that supports long-term sustainability and growth. • Focus on the physical and psychological wellbeing of the workforce.
Procurement	<ul style="list-style-type: none"> • Procure quality goods and services, delivered timely and at the best prices possible.
Company Secretary	<ul style="list-style-type: none"> • Provide and maintain efficient secretarial services to PNB and the companies in the PNB Group encompassing the various Boards of Directors, Committees, Divisions and Teams. • Ensure compliance of statutory regulations and requirements by PNB and the companies in the PNB Group. • Ensure the efficient safekeeping of share certificates of the PNB Group by providing a systematic custodial system which complies with all the stipulated regulations and requirements.
Risk Management	<ul style="list-style-type: none"> • Undertake a strategic and consistent approach in managing risks across the Group through an Enterprise Risk Management and associated activities that will assist in the creation of shareholder value and safeguarding the Group's assets. • Embed strong risk culture within the PNB Group and to enhance awareness and understanding of business risks throughout PNB by measuring customer satisfaction.
Operations Transformation	<ul style="list-style-type: none"> • Conduct an independent review of SOP to ensure its quality, integrity and compliance with the SOP Framework • Ensure effective internal controls of access to the SOP documents
Integrity	<p>Perform its four core functions as per the Guideline for the Management of Integrity and Governance Units of GLCs as follows:</p> <ul style="list-style-type: none"> (i) Complaint Management on matters pertaining to corruption, bribery, misuse of power and embezzlement; (ii) Detection and Verification on complaints pertaining to corruption, bribery, misuse of power and embezzlement; (iii) Integrity Strengthening initiatives; and Integrity Governance.

Business Owner	Core Activities/Functions
Compliance	<ul style="list-style-type: none"> Responsible for ensuring and facilitating PNB Group's compliance to all relevant regulatory requirements by ensuring its operations, internal policies and procedures, code of conduct and standards applicable to its activities are conducted in line with all regulatory requirements, particularly in relation to Register of Gifts. Compliance shall maintain a register of gifts received/given by all business units which will be reviewed periodically to ensure priority areas identified based on compliance and corruption risks assessment conducted on gift register be mitigated accordingly.

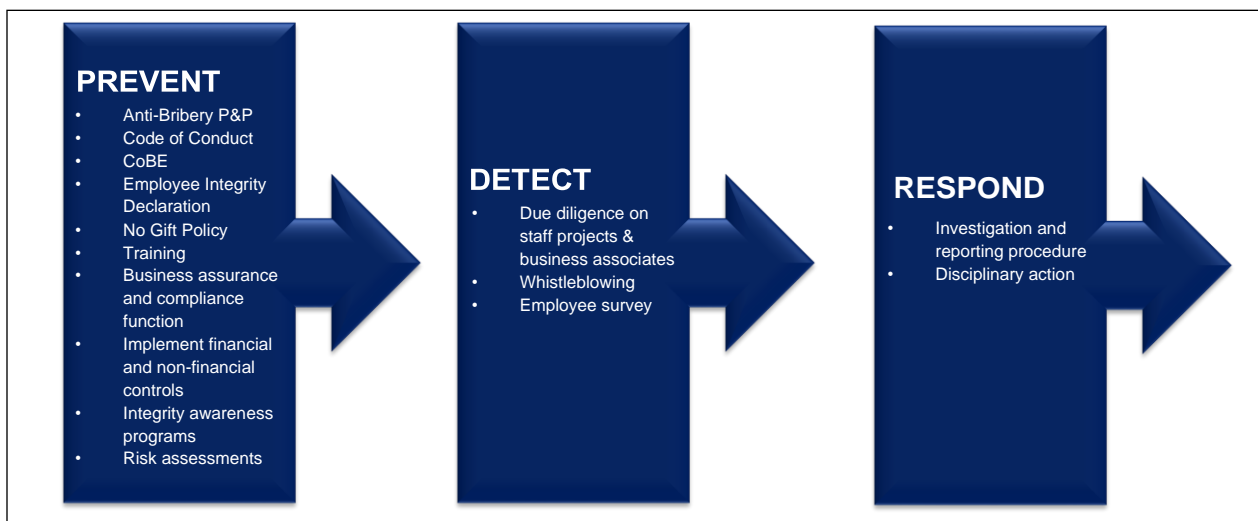
4.4 Anti-Bribery Management Systems

PNB has established, documented, implemented, maintained, continually reviewed and where necessary, improved the ABMS based on the requirements of the MS ISO 37001:2016 standard.

In order to fulfil these objectives, adequate procedures based on the T.R.U.S.T. principles have been put in place to prevent, detect and respond the occurrence of corrupt practices in relation to its business activities. The T.R.U.S.T. principles are as follows:

- (i) Principle 1: **T**op level commitment;
- (ii) Principle 2: **R**isk assessment;
- (iii) Principle 3: **U**ndertake control measures;
- (iv) Principle 4: **S**ystematic review, monitoring and enforcement;
- (v) Principle 5: **T**raining and communication.

The ABMS is to Prevent, Detect and Respond to bribery and corruption in PNB. These initiatives are illustrated below:



4.5 Bribery Risk Assessment

PNB has identified, analysed and evaluated bribery risks in relation to its business activities and the corresponding action plan to mitigate these risks. The risk assessment process is adopted from CRM and SOPs. The CRM will be subject to review once every year or at such other shorter period deemed necessary.

Related documented information:

No.	Description	Location
1.	Integrity Framework	Integrity
2.	CRM	Business owners/ Integrity
3.	SOPs	Relevant Divisions/Teams/PNB K-hub

5. Leadership

5.1 Leadership and Commitment

5.1.1 Governing Body

The BOD demonstrates its leadership and commitment with respect to the ABMS by:

- (i) approving the organisation's anti-bribery policy;
- (ii) ensuring that the organisation's strategy and anti-bribery policy are aligned;
- (iii) at planned intervals, receiving and reviewing information about the content and operation of the organisation's ABMS;
- (iv) requiring that adequate and appropriate resources needed for effective operation of the ABMS are allocated and assigned; and
- (v) exercising reasonable oversight over the implementation of the organisation's ABMS by top management and its effectiveness.

In discharging its duties, the BOD is assisted by the Board Committees in overseeing the implementation of certain duties and responsibilities delegated by the BOD based on the approved TOR. Below are the list of the Board Committees and Committees of the Management-Level which have been established as well as their respective TOR.

I. Board Level Committee

No	Committee	TOR
1	Investment Committee	To implement certain duties and responsibilities delegated by the BOD and thereby act as the monitoring body for the BOD to ensure that investments are undertaken in accordance with the investment mandate and in line with all relevant rules, laws and regulations.
2	Nomination Committee	To primarily assist the BOD in identifying and recommending suitable candidates for appointment to the BOD, its subsidiary companies and selected investee companies; and for appointment as Presidents/ Managing Directors/ Chief Executive Officers/ Executive Directors and/ or Senior Management of selected investee companies where PNB and the funds under its management have substantial interests.
3	Compliance Committee	To assist the BOD in ensuring that there are proper supervision and effective compliance monitoring in place for the PNB Group to comply with securities laws, anti-corruption laws, regulations, guidelines, licensing conditions and rules.
4	Shariah Advisory Council	To give advice, insights and guidance on various issues relating to the affairs of Shariah, or issues related to all investments under management of PNB to ensure the systems are in compliant with Shariah requirements.
5	Audit Committee	To provide assistance to the BOD in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices for PNB Group.

No	Committee	TOR
6	Tender Committee	To approve the purchase of assets, suppliers and services for PNB Group at the cost above RM 2 million.
7	Risk Management Committee	To provide oversight on the necessary implementations to be taken so as to ensure PNB Group's integrated and effective enterprise-wide risk management policies and frameworks including but not limited to the Enterprise Risk Management Framework (ERM) and all other initiatives, workplan, framework relating thereto, as approved by the BOD.

II. Management Level Committee

No	Committee	TOR
1	Management Investment Committee	To discuss, evaluate and/or review the investment and monetization of related matters and strategies of PNB Proprietary Fund, the unit trust funds under PNB's management and other funds listed in the TOR of the Investment Committee of the Board of Directors of PNB and all the asset classes and sub-asset classes in their investable universe, as well as the performances of the said funds.
2	Management Compliance Committee	To assist the BCC in the effective discharge of its primary responsibilities to oversee group-wide compliance matters. To ensure that there are proper supervision and effective compliance monitoring in place for the PNB Group to comply with the relevant laws, regulations, guidelines, licensing conditions and rules.
3	Risk Management Steering Committee	To assist the Risk Management Committee ("RMC") in the effective discharge of its primary responsibilities of identifying principal risks and implementing appropriate systems and risk assessment processes to manage such risks, in line with the Malaysian Code on Corporate Governance issued by Securities Commission and Bursa Malaysia Listing Requirement.
4	Training & Development Committee	To implement certain duties and responsibilities delegated by Management of PNB ("Management") and thereby act as the monitoring body for Management to oversee the implementation of the Training and Development Policies of the PNB Group.
5	Procurement Committee	To oversee all procurement matters for PNB Group, particularly the purchasing of assets, supplies and services and disposal of fixed assets, as well as procurement operational structure, within its scope of authority.
6	Technology Committee	To implement certain duties and responsibilities delegated by Management of PNB ("Management") and thereby act as the monitoring body for Management in relation to the implementation of Information Technology ("IT") direction of the PNB Group.

5.1.2 Top Management

Top Management of PNB is the PGCE, who is committed to the development and implementation of the ABMS and its improvement through the following:

- (i) ensuring that the ABMS, including policy and objectives, is established, implemented, maintained and reviewed to adequately address the organisation's bribery risks;
- (ii) ensuring the integration of the ABMS requirements into the organisation's processes;
- (iii) deploying adequate and appropriate resources for the effective operation of the ABMS;
- (iv) communicating internally and externally regarding the anti-bribery policy;
- (v) communicating internally the importance of effective anti-bribery management and of conforming to the ABMS requirements;
- (vi) ensuring that the ABMS is appropriately designed to achieve its objectives;
- (vii) directing and supporting personnel to contribute to the effectiveness of the ABMS;
- (viii) promoting an appropriate anti-bribery culture within the organisation;
- (ix) promoting continual improvement;
- (x) supporting other relevant management roles to demonstrate their leadership in preventing and detecting bribery as it applies to their areas of responsibility;
- (xi) encouraging the use of reporting procedures for suspected and actual bribery;
- (xii) ensuring that no personnel will suffer retaliation, discrimination or disciplinary action for reports made in good faith, or on the basis of a reasonable belief of violation or suspected violation of the organisation's anti-bribery policy, or for refusing to engage in bribery, even if such refusal can result in the organisation losing business (except where the individual participated in the violation); and
- (xiii) reporting to the BOD on the content and operation of the ABMS and of allegations of serious or systematic bribery at planned intervals.

5.2 Anti-Bribery and Corruption Policy

The PNB Group Anti-Bribery and Anti-Corruption Policy Statement (ABC Policy Statement) has been established and approved by the BOD on 25 August 2020 which is presented in Appendix II.

Related documented information:

No.	Description	Location
1.	ABC Policy Statement	Integrity

5.3 Organisational Roles, Responsibilities and Authorities

5.3.1 Roles and Responsibilities

The top management has the overall responsibility for the implementation of, and compliance with the ABMS. The Top Management ensures that the responsibilities and authorities for relevant roles are assigned, communicated and understood within PNB.

All Head of Teams are responsible;

- (i) to ensure the requirements of ABMS are being complied with and applied within their teams; and
- (ii) to implement all the controls required in order to prevent any kind of potential bribery risks by the staff, business associates and affiliates at their respective teams.

The governing body, top management and all other personnel shall be responsible for understanding, complying with and applying the ABMS requirements, as they relate to their roles in PNB.

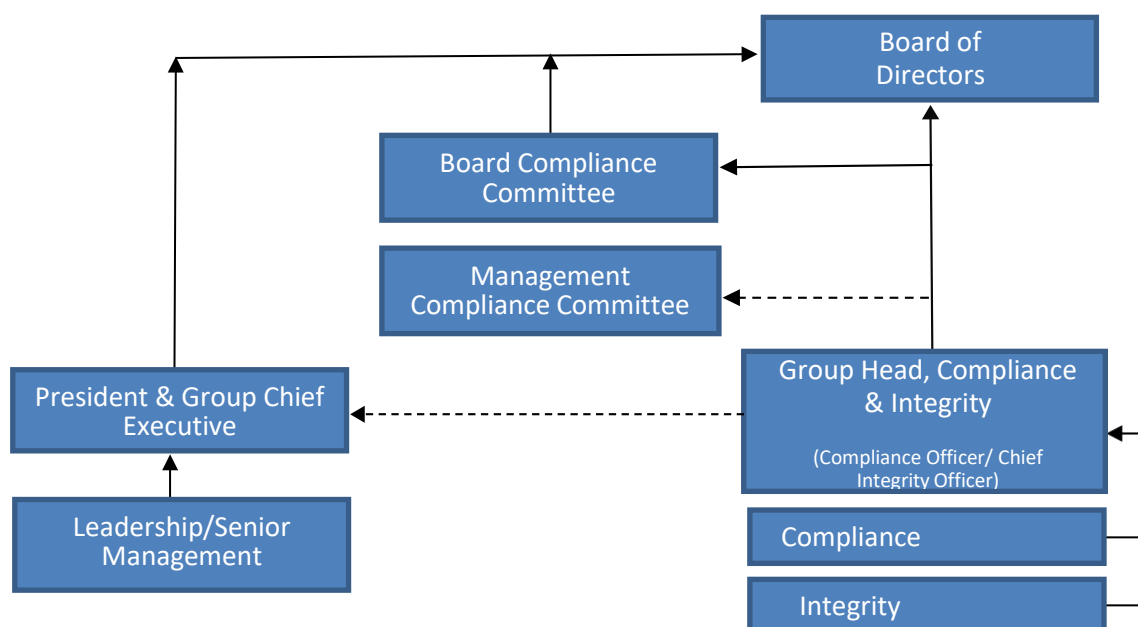
The Committees of the Management-Level are established in order to support the Committees of the BOD in carrying out certain specific functions. These Committees either report directly to its parent Committee or to the PGCE. Similar to Committees of the BOD, each Committee of the Management-level shall have its own Terms of Reference, which governs its operations and sets out its scope and functions.

5.3.2 Anti-Bribery Compliance Function

PNB has assigned the Integrity to undertake the responsibility and authority as the compliance function as follows:

- (i) Overseeing the design and implementation by the organisation of the ABMS;
- (ii) Providing advice and guidance to personnel on the ABMS and issues relating to bribery;
- (iii) Ensuring that the ABMS conforms to the requirements of ISO 37001;
- (iv) Reporting at planned intervals, and on an ad hoc basis, as appropriate on the performance of the ABMS (including the results of investigation and audit) to the governing body i.e. Top Management, MCC, BCC and BOD;
- (v) The anti-bribery compliance function shall assess on a continual basis whether the ABMS is adequate to manage effectively the bribery risks faced by PNB or being effectively implemented.
- (vi) Four core functions of the Integrity in relation to bribery and corruption are as follows:
 - Complaint/Report management of bribes/corruptions
 - Detection and verification
 - Integrity strengthening
 - Governance

The reporting line of the integrity functions is as depicted below:



The Chief Integrity Officer reports directly to the BOD on the implementation of integrity functions. The BCC assists the BOD in overseeing the implementation of Integrity in accordance with its TOR and is assisted by the MCC as per the approved TOR.

Integrity also works along with Internal Audit, Risk Management and Compliance with regular reporting to the BCC to ensure that the bribery risks relating to PNB are properly controlled.

Related documented information:

No.	Description	Location
1.	Job Description of Head of Integrity	HRBPR
2.	Offer Letter	HRBPR

5.3.3 Delegated Decision Making

PNB has established guidelines on decision making on selected functions based on the Level of Authority.

Related documented information:

No.	Description	Location
1.	Terms of Reference for Investment	Respective Divisions/Teams/ Company Secretary

6. ABMS Planning

6.1 Actions to Address Risks and Opportunities

PNB has planned for ABMS by considering the issues identified in 4.1, the needs and expectations of the stakeholders as in 4.2, bribery risks identified in 4.5, and opportunities for improvement that need to be addressed to:

- (i) Give reasonable assurance that the ABMS can achieve its objectives;
- (ii) Prevent, or reduce, undesired effects relevant to the ABC Policy Statement and objectives;
- (iii) Monitor the effectiveness of the ABMS; and
- (iv) Achieve continual improvement.

Bribery risk and opportunities for improvement are managed in accordance to the CRM and SOPs. The documents were developed to outline the policy, procedure and framework for risk assessment and treatment process to be adopted across PNB.

Bribery risk is managed independently by the respective business owners and deemed to be reviewed periodically in accordance to the risk management procedures. For bribery risk, line of reporting is illustrated below:



Related documented information:

No.	Description	Location
1.	Corruption Risk Register	Respective Divisions/Teams/ Integrity

6.2 Anti-Bribery Objectives and Planning to Achieve Them

The objectives and initiatives of ABMS are further translated in the OACP, which fulfil specific, measurable, achievable, realistic and time bound criteria.

Related documented information:

No.	Description	Location
1.	OACP	Integrity

7. Support

7.1 Resources

In establishing, implementing, maintaining and continually improving the ABMS, and its effectiveness, as well as ensuring customer requirements are met, PNB has determined and provided the required resources.

Related documented information:

No.	Description	Location
1.	Annual work plan of Integrity	Integrity
2.	Annual budget of Integrity	Integrity

7.2 Competency

7.2.1 In ensuring competency, PNB has:

- (i) determined the necessary competence of person(s) doing work under its control that affects its anti-bribery performance;
- (ii) ensured that these persons are competent based on appropriate education, training, or experience;
- (iii) where applicable, taken actions to acquire and maintain the necessary competence and evaluate the effectiveness of the actions taken; and
- (iv) retained appropriate documented information as evidence of competence.

Person	Competency
Chief Integrity Officer	Appointed and approved by Board of Directors PNB to oversee the integrity matters and also a Certified Integrity Officer (CeIO) with advanced knowledge on ABMS and corruption risks.
Head of Integrity	A certified CeIO with advanced knowledge on ABMS and corruption risks.
Integrity Officer	Well-versed on ABMS and corruption risks. Qualification as a CeIO is highly prioritised.
Investigation Officer	Well-versed on ABMS and corruption risks. Good understanding of legal requirements and well versed with PNB policies and procedures.
ABMS Internal Auditor	Attended at least 2 days' training on ABMS internal audit and well-versed with PNB business activities. Basic knowledge on ABMS and corruption risks.
Integrity Representative	Basic knowledge on ABMS and corruption risks, and well-versed with the policies and procedures of his/her own divisions/teams.

Related documented information:

No.	Description	Location
1.	Appointment Letter	HRBPR
2.	Job Descriptions	HRBPR
3.	Training Records (Evaluation Form, Training Records/Assessment)	TD
4.	Memoranda of Appointment of Integrity Representatives	Integrity
5.	Job Descriptions of Integrity Representatives	Integrity

7.2.2 Employment Process

PNB has put in place the necessary controls in implementing ABMS towards its human resource processes including in its employment process, managing hiring, training and rewards (promotion and transfer) and termination, which includes:

- (i) Offer letter;
- (ii) PDPA Declaration;
- (iii) Employee Integrity Declaration;
- (iv) Code of Conduct;
- (v) Terms and Conditions of Employment;
- (vi) Due Diligence/background check/screening;
- (vii) Onboarding program for new staff;
- (viii) Review of appraisals scheme, salary scale, bonuses and other incentives;
- (ix) IT Security Declaration; and
- (x) CoBE.

PNB has also established and implemented a process to ensure staff comply with the requirements of the ABMS and take actions against those who do not comply.

Related documented information:

No.	Description	Location
1.	Employee Handbook	HRO
2.	Recruitment Process	HRBPR
3.	CoBE	Integrity

7.3 Awareness and Training

PNB provides adequate and appropriate anti-bribery awareness and training to its staff. Such training shall address the following issues, as appropriate, taking into account the results of the bribery risk assessment:

- (i) ABC Policy Statement, procedures and ABMS, and their duty to comply;

- (ii) the bribery risk and the damage to them and PNB which can result from bribery;
- (iii) the circumstances in which bribery can occur in relation to their duties, and how to recognise these circumstances;
- (iv) how to recognise and respond to solicitations or offers of bribes;
- (v) how they can help prevent and avoid bribery and recognise key bribery risk indicators;
- (vi) their contribution to the effectiveness of the ABMS, including the benefits of improved anti-bribery performance and of reporting suspected bribery;
- (vii) the implications and potential consequences of not conforming with the ABMS requirements;
- (viii) how and to whom they can report any concerns; and
- (ix) information on available training and resources.

The awareness and training plans are translated in the OACP. PNB has retained documented information on the training procedures, the content of the training, and when and to whom it was provided. Details of training scope, attendance list and date of training will be kept by the HRD.

Taking into account the bribery risks identified, PNB will also implement procedures addressing anti-bribery awareness and training for business associates acting on its behalf or for its benefit, and which could pose more than a low bribery risk to them.

Related documented information:

No.	Description	Location
1.	Training Records	TD
2.	Training Calendar	TD
3.	Awareness programme via intranet	Compliance & Integrity
4.	Roadshows/Briefings/Seminars	Integrity
5.	Onboarding for new hire	TD and HRBPR

7.4 Communication

PNB has determined the internal and external communications relevant to the ABMS as stipulated in the OACP.

Related documented information:

No.	Description	Location
1.	OACP	Integrity

7.5 Documented Information

7.5.1 Documented information for ABMS includes:

- (i) Documented information required by MS ISO 37001:2016;
- (ii) Documented information determined by PNB as being necessary for the effectiveness of the ABMS.

7.5.2 All teams manage their own documented information and ensure proper identification and description (e.g., a title, date, author, or reference number); suitable format (e.g.: language,

software version, graphics) and media (e.g.: electronic); proper review and approval for suitability and adequacy based on their respective procedures.

7.5.3 PNB controls the documented information required by the ABMS and by MS ISO 37001 to ensure:

- (i) It is available and suitable for use, where and when it is needed; and
- (ii) It is adequately protected (e.g.: from loss of confidentiality, improper use, or loss of integrity).

This includes:

- (i) Distribution, access, retrieval and uses;
- (ii) Storage and preservation, including preservation of legibility;
- (iii) Control of changes;
- (iv) Retention period of at least seven (7) years; and
- (v) Disposition via shredding for physical documents and secure digital deletion for electronic documents.

Documented information of external origin shall also be subject to the same control.

Related documented information:

No.	Description	Location
1.	Control of Documented Information	Respective Divisions/Teams

8. Operations

8.1 Operational Planning and Control

PNB has planned, implemented, reviewed and controlled the processes needed to meet requirements of the ABMS, and to implement the actions determined in 6.1 by:

- (i) Establishing criteria for the processes;
- (ii) Implementing control of the processes in accordance with the criteria; and
- (iii) Keeping documented information to the extent necessary to have confidence that the processes have been carried out as planned.

These processes include specific controls referred to in 4.5, 6.1, 8.2 to 8.10. PNB has controlled planned changes and review the consequences of unintended changes, taking action to mitigate any adverse effects, as necessary. PNB also ensures that any outsourced process is also controlled. The operational planning and control of processes under PNB are further described in the respective team's SOPs.

Related documented information:

No.	Description	Location
1.	SOPs, Standard Procedures and other relevant documentations.	Respective Divisions/Teams/PNB K-hub

8.2 Due Diligence

For bribery risks with a more than low risk rating, PNB will undertake due diligence in order to obtain sufficient information in relation to specific transactions, projects, activities, business associates and personnel.

Related documented information:

No.	Description	Location
1.	SOPs	Respective Divisions/Teams/PNB K-hub

8.3 Financial Controls

Examples of processes that need financial controls to take place are not limited to 8.2. This list may not be exhaustive and subject to future review.

PNB has adopted Level of Authority as an essential aspect of the separation of duties and as part of controls. PNB has implemented financial controls that manage its financial transaction properly and to record these transactions accurately, completely and in a timely manner. Digitalisation including systems and internal audit are also part of anti-bribery and corruption financial controls.

Related documented information:

No.	Description	Location
1.	Terms of Reference for Investment	Respective Divisions/Teams/ Company Secretary
2.	SOPs of Finance, Procurement, Investment Processing	Respective Divisions/Teams/PNB K-hub

8.4 Non-financial Controls

PNB has put in place the necessary controls to manage bribery risks with respect to areas such as procurement, finance, operational, human resources, legal, regulatory activities and other non-financial aspects of its activities.

Related documented information:

No.	Description	Location
1.	Relevant SOPs	Respective Divisions/Teams/PNB K-hub

8.5 Implementation of Anti-Bribery Controls by Business Associates

PNB has developed and implemented controls to require all its business associates to comply with and implement anti- bribery initiatives.

Related documented information:

No.	Description	Location
1.	Integrity Charter and Framework	Integrity
2.	ABC Policy Statement	Integrity
3.	Service Level Agreements	Legal
4.	CoBE	Integrity
5.	Suppliers Integrity Declaration	Respective Divisions/Teams/ Procurement
6.	Whistleblowing Policy of PNB Group	Integrity
7.	Procurement Integrity Pact of PNB Group and Due Diligence Process	Integrity

8.6 Anti-Bribery Commitments

PNB has developed and implemented controls to ensure commitment from business associates, which pose more than low bribery risks to preventing bribery. PNB will terminate the relationship with a business associate in the event of bribery by, on behalf of, or for the benefit of the business associate in connection with the relevant transaction, project, activity, or relationship.

Related documented information:

No.	Description	Location
1.	OACP	Integrity
2.	Procurement Policies and Procedures	Procurement
3.	CoBE	Integrity
4.	Agreements	Respective Divisions/Teams/ Legal
5.	Procurement Integrity Pact of PNB Group	Integrity

8.7 Gifts, Entertainment and Sponsorship

PNB has established and implemented No Gift Policy and CoBE, which prevent the offering and accepting of gift/sponsorship/entertainment with limited exceptions.

Related documented information:

No.	Description	Location
1.	No Gift Policy	Integrity
2.	CoBE	Integrity
3.	Register of Gifts	Respective Divisions/Teams/ Compliance

8.8 Managing Inadequacy of Anti-Bribery Controls

In the event of inadequacy of anti-bribery controls, PNB has taken precautionary measure by having an anti-bribery compliance clause in all agreements with business associates which gives the right to PNB to terminate the agreement if the business associates are convicted in a court of law for involvement in bribery or corruption or unlawful or illegal activities.

In the case of a proposed new transaction, project, activity or relationship, PNB shall postpone or decline to continue with it.

Related documented information:

No.	Description	Location
1.	Agreements	Respective Divisions/Teams/ Legal

8.9 Raising Concerns

PNB has established and implemented whistleblowing policy and procedures to encourage employees and external parties to disclose any improper conduct of PNB employees and external parties that they have become aware of.

The whistle blower will be protected in accordance with the Whistleblowing Policy of PNB Group.

Related documented information:

No.	Description	Location
1.	Whistleblowing Policy of PNB Group	Integrity

8.10 Investigating and Dealing with Bribery

PNB has established and implemented investigation procedures for alleged improper conduct in line with Whistleblowing Policy of PNB Group.

Related documented information:

No.	Description	Location
1.	Whistleblowing Policy of PNB Group	Integrity
2.	Issuance of appointment letter to the investigation panel	Integrity
3.	Investigation and Report Findings	Integrity
4.	Bribery and Corruption Judgement Reports (Decision/Verdict)	Integrity
5.	Complaint Register	Integrity
6.	Bribery and Corruption Reports to BOD/MACC	Integrity
7.	OACP	Integrity

9. Performance Evaluation

9.1 Monitoring, Measurement, Analysis and Evaluation

PNB monitors, measures, analyses and evaluates the performance based on the OACP.

Related documented information:

No.	Description	Location
1.	OACP	Integrity

9.2 ABMS Internal Audit

ABMS internal audit is conducted at least once a year to ensure compliance to ISO 37001:2016 requirements as well as internal P&P in relation to corruption related requirements.

Records of the audits and their results shall be maintained. The business owner responsible for the area being audited shall ensure that audit findings will be reviewed by the management and any necessary corrections and corrective actions are taken without undue delay to eliminate detected nonconformities and their causes. Follow-up activities shall include the verification of the actions taken and the reporting of verification results.

Related documented information:

No.	Description	Location
1.	Appointment Letter of ABMS Internal Auditor	Internal Audit
2.	Internal Audit Plan and Schedule	Internal Audit
3.	Internal Audit Report	Internal Audit

9.3 Review by Anti-bribery Compliance Function

The Integrity has the responsibility to assess on a continual basis whether the ABMS is adequate to manage effectively the bribery risks faced by PNB and is effectively implemented.

The Integrity reports at planned intervals, and on an ad hoc basis as appropriate, to the top management, MCC, BCC and BOD, on the adequacy and implementation of the ABMS, including the results of investigations and audits.

Related documented information:

No.	Description	Location
1.	Integrity Review Report	Integrity

9.4 Management Review

9.4.1 Top management review

PNB's top management as well as the MCC review the continuing suitability, adequacy and effectiveness of the ABMS at least once a year.

The top management review shall include consideration of:

- (i) The status of actions from previous management reviews;
- (ii) Changes in external and internal issues that are relevant to the ABMS
- (iii) Information on the performance of the ABMS, including trends in:
 - (a) Non conformities and corrective actions;
 - (b) monitoring and measurement results;
 - (c) audit results;
 - (d) reports of bribery;
 - (e) investigations; and
 - (f) the nature and extent of the bribery risks faced by PNB;
- (iv) Effectiveness of actions taken to address bribery risks; and
- (v) Opportunities for continual improvement of the ABMS.

Management Review Outputs

The outputs of the top management / MCC review shall include decisions related to continual improvement opportunities and any need for changes to the ABMS.

A summary of the results of the top management / MCC review is reported to the BCC.

Related documented information:

No.	Description	Location
1.	Minutes of MCC	Compliance & Integrity

9.4.2 Governing Body Review

The BCC undertakes periodic reviews of the ABMS based on information provided by the top management / MCC, and any other information that the BCC / BOD requests or obtains.

Related documented information:

No.	Description	Location
1.	Minutes of Audit Committee and BCC	Company Secretary

10. Improvement

10.1 Nonconformity and Corrective Action

PNB has established a general non-conformity and corrective action SOPs to define the requirements for PNB to:

- (i) React promptly to the nonconformity, and as applicable take action to control and correct it; or deal with the consequences;
- (ii) Evaluate the need for actions to eliminate the cause(s) of the nonconformity so that it does not recur or occur elsewhere;
- (iii) Implement any action needed;
- (iv) Review the effectiveness of the corrective action taken; and
- (v) Make changes to the ABMS, if necessary.

Related documented information:

No.	Description	Location
1.	General Non-conformity SOP	Respective Divisions/Teams/PNB K-hub
2.	General Corrective Action SOP	Respective Divisions/Teams/PNB K-hub
3.	Non-Conformity Report (NCR)	Respective Divisions/Teams/PNB K-hub
4.	Corrective Action Records	Respective Divisions/Teams/PNB K-hub

10.2 Continual Improvement

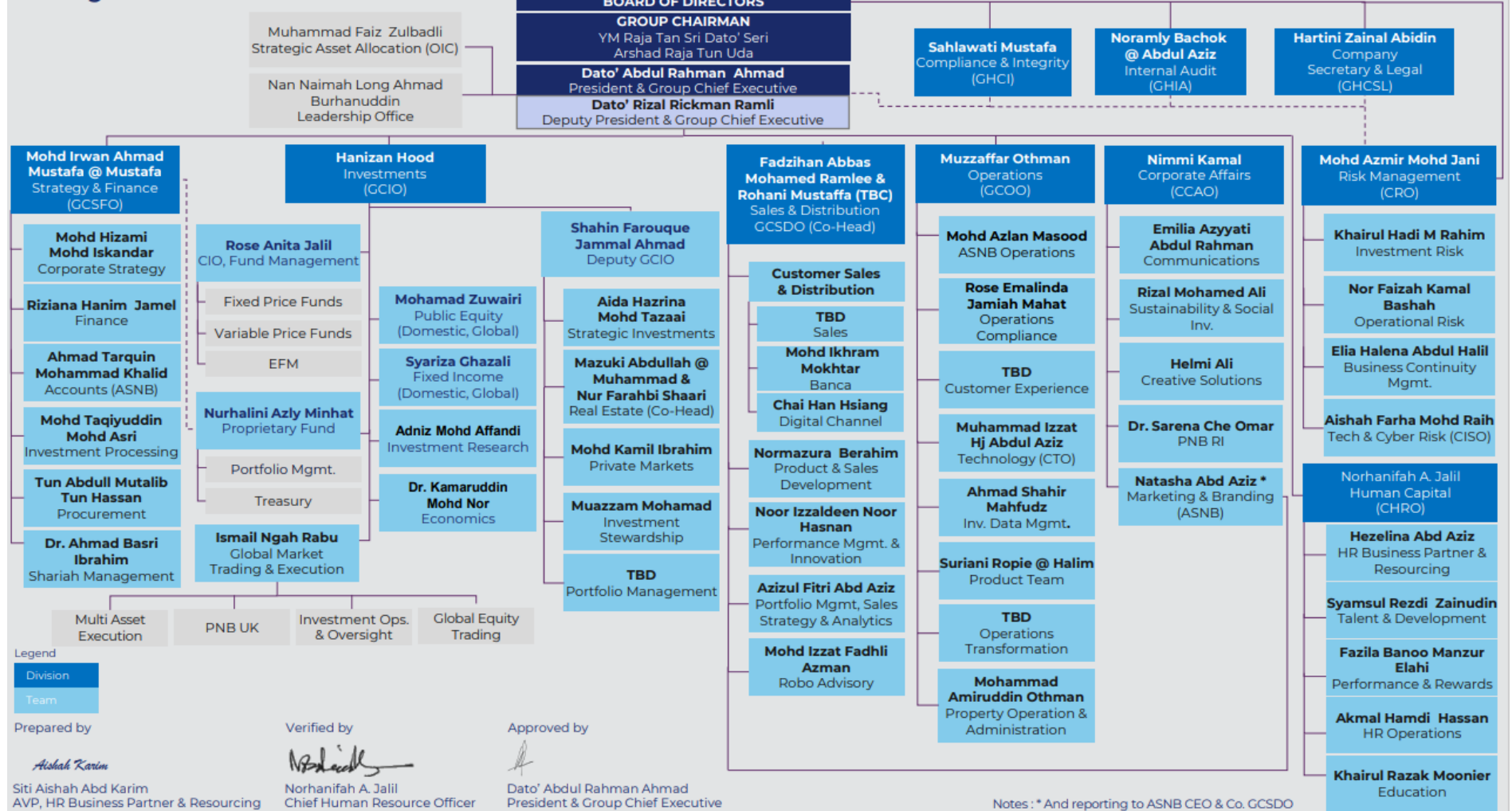
The suitability, adequacy and effectiveness of the ABMS shall be continually improved.

Related documented information:

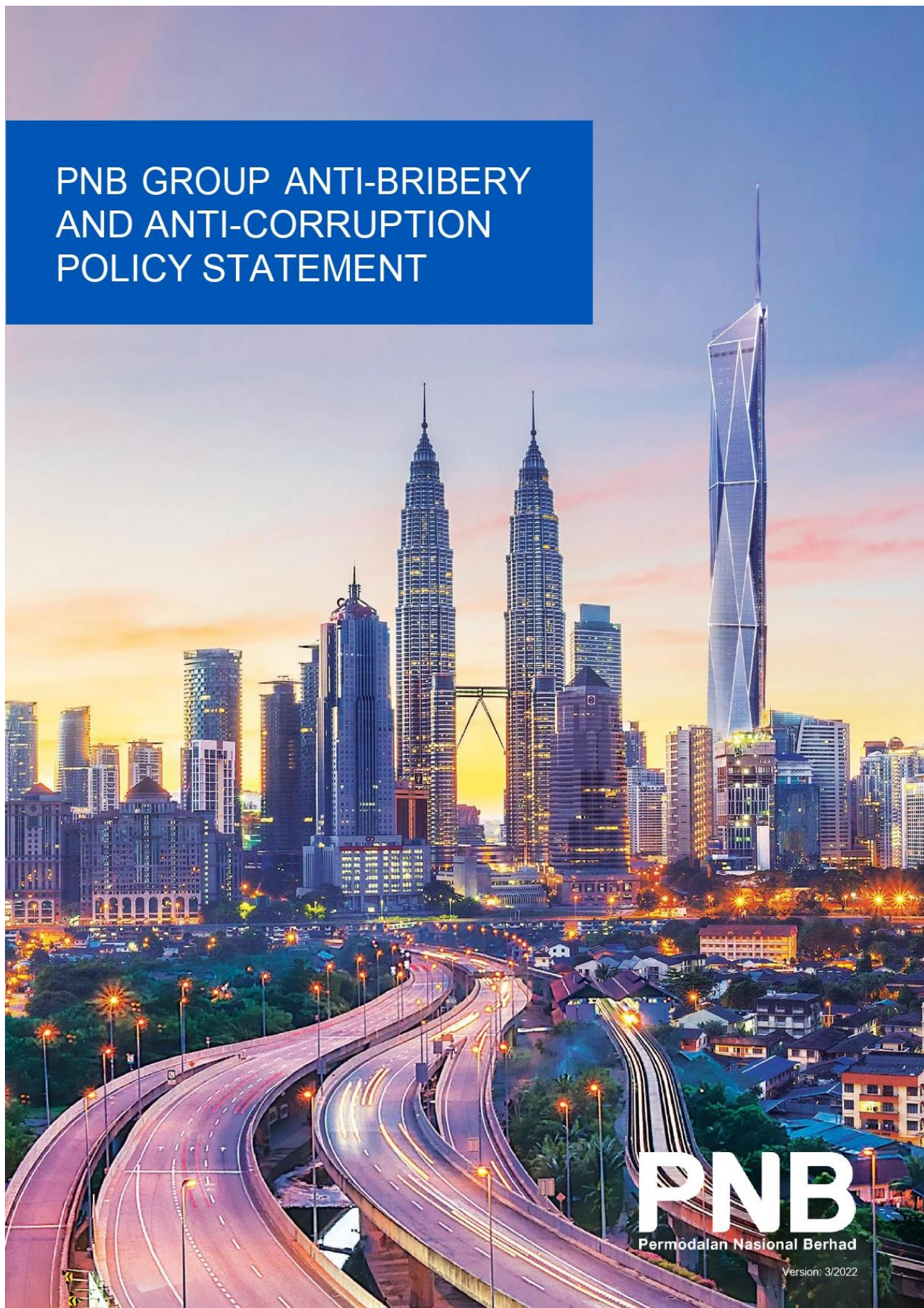
No.	Description	Location
1.	ABMS Internal Audit Report	Internal Audit
2.	Integrity Review Report	Integrity

Appendix I – Organisation Chart

PNB Organization Structure as at 1 December 2024



PNB GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT



PNB
Permodalan Nasional Berhad

Version: 3/2022

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INTRODUCTION

1. Introduction

- 1.1 Permodalan Nasional Berhad (Company No. 197801001190 (38218-X))("PNB") and its group of companies (collectively, "PNB Group") are committed to applying the highest standards of integrity and ethical conduct in all our business activities and operations. Fighting bribery and corruption is the responsibility of everyone in the organisation and setting the standard for anti-bribery and anti-corruption is part of the responsibilities of the Board of Directors, senior management, and employees of PNB Group.
- 1.2 PNB Group adopts a **Bribery-Corruption Free Business Environment** from any forms of bribery and corruption and takes a stern stance against such acts.
- 1.3 Hence, it is important that the PNB Group complies with and conducts its business in accordance with requirements of all applicable laws, rules and regulations as well as relevant internal policies and procedures.

APPLICATION

2. Application

- 2.1 This PNB Group Anti-Bribery and Corruption Policy Statement ("PNB Group ABC Statement") shall be read together with the Integrity Charter and Framework of PNB Group, Code of Business Ethics of PNB Group, Whistleblowing Policy of PNB Group, PNB Employee Handbook, and all the internal policies and procedures relating to PNB Group.
- 2.2 This PNB Group ABC Statement is applicable to its Board of Directors and members of the committees of the Board of Directors (collectively known as "Board"), senior management, employees of PNB Group, whether permanent or temporary, stakeholders of PNB Group, as well as its business counterparties (collectively, "Representatives"). It is not intended to provide definitive answers to all questions regarding bribery and corruption, but rather to provide its Representatives with a basic introduction on how PNB Group combats bribery and corruption in furtherance of the PNB Group's commitment to lawful and ethical behaviour at all times.
- 2.3 In the event of any inconsistency or conflict between the terms of this PNB Group ABC Statement and the law, the law shall prevail. If you perceive that a provision in this PNB Group ABC Statement conflicts with the law in the local jurisdiction where your business operates, you should consult with your Head of Department/Division, Human Capital Division or Integrity Department of PNB.
- 2.4 PNB Group will abide by Malaysian Anti-Corruption Act 2009 ("MACC Act") and any applicable laws in respect of countering bribery and corruption in all jurisdictions in which PNB Group operates or conducts its business. This includes, and is not confined to, those countries where PNB Group has offices. Additionally, as a licensed institution by the Securities Commission Malaysia ("SC"), PNB will abide by the provisions of the Capital Markets and Services Act 2007 ("CMSA"), the relevant guidelines issued by the SC and all laws in which PNB Group operates or conducts its business.
- 2.5 It is important to remember that even if the country in which an act of bribery takes place does not have anti-bribery laws, the MACC Act and the laws of another country in which PNB Group operates or conducts its business may still apply. Bribery and corruption (or even the perception or an allegation of it):
 - (i) will damage PNB Group's reputation; and/or
 - (ii) could cost PNB Group significant amounts of money both in respect of potential fines and the time spent in dealing with such issues and may lead to serious penalties on individual members of PNB Group including imprisonment and fines, or even the forfeiture of critical operating licenses and permits.

FAILURE TO COMPLY WITH THIS PNB GROUP ABC STATEMENT

3. Failure To Comply With This PNB Group ABC Statement

3.1 Engaging in bribery or corrupt practices can have severe consequences for you and PNB Group. You may face dismissal, fines and imprisonment, and PNB Group may face damage to reputation, financial loss and disbarment from business and other negative consequences. As for business counterparties, they may face termination, discontinuation, suspension of, or withdrawal from any business relationship.



OUR COMMITMENTS

4. Our Commitments

4.1 PNB Group is committed to:

- (i) upholding anti-bribery laws and securities laws that apply to PNB Group, including without limitation, the MACC Act as well as the CMSA;
- (ii) not offering bribes or condoning the offering of bribes on PNB Group's behalf;
- (iii) not accepting bribes, or agreeing to them being accepted on PNB Group's behalf;
- (iv) maintaining accurate books and records for all business dealings;
- (v) making sure that PNB Group's Representatives are aware of and abide by PNB Group's values and policies;
- (vi) complying with the regulatory requirements including satisfying the Anti-bribery Management System ("ABMS"), and internal policies and procedures with regards to bribery and corruption;
- (vii) avoiding doing business with or affiliating PNB Group with others who do not accept PNB Group's values and policies, and who may harm PNB Group's reputation;
- (viii) performing ongoing monitoring of and auditing compliance with these principles;
- (ix) encouraging raising of concerns via the established whistleblowing channels and as per the Whistleblowing Policy of PNB Group;
- (x) performing continual improvement of its policies and procedures pertaining to bribery and corruption matters including its ABMS; and
- (xi) establishing and maintaining the authority and independence of the anti-bribery compliance function which is positioned independently from business units in the organisation and reports directly to the Board of Directors.

WAIVER AND REVIEW OF PNB GROUP ABC STATEMENT

5. Waiver and Review of PNB Group ABC Statement

- 5.1 This PNB Group ABC Statement shall be reviewed every three years and/or updated when any key changes or modifications are required to ensure its relevance, adequacy and compliance with the requirements of all applicable laws. Any deviation or waiver from this PNB Group ABC Statement must be approved either by the Board, or Compliance Committee of the PNB Group of the Board of Directors of PNB.