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CODE OF ETHICS

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1.0 INTRODUCTION

PBAHB owes a statutory duty to the public to always act in the public interest and to maintain efficient and effective production and supply of water. Adherence to ethical values will create and promote an environment of mutual trust, consideration for fellow employees and responsible behaviour. Hence, personal integrity, honesty, discipline, commitment to act in PBAHB's best interest and transparency are vital to making a set of code of ethics for PBAHB successful.

The following was formulated to represent PBAHB's Code of Ethics (hereinafter referred to as the "Code"). Kindly read the following material carefully, as it serves to assist in defining the ethical standards and conduct at work required at PBAHB. This Code is to be interpreted within the framework of the laws and customs of Malaysia besides being read in line with PBAHB's directives, guidelines and policies, as issued from time to time.

The reputation of PBAHB rests on the good judgement and conscience of each Employee. As such, our actions must demonstrate that we live by the letter and spirit of these values.

PBAHB is serious about being an ethical organisation. Violation(s) of the Code will not be tolerated and will result in appropriate disciplinary action being taken including terminating the services of the employee concerned.

Each Employee has a duty to:

- (ii) read and understand the Code ; and
- (iii) promptly report suspected violations and concerns about any situation that could violate the Code and PBAHB's policy

2.0 PRELIMINARY

2.1 Definition

For the purpose of the Code, and unless the context otherwise requires:-

Authorised Persons	means personnel who are designated and authorised to receive reports in respect of violations of the Code i.e Chief Executive Officer, Division Heads and Head of Departments.
PBAHB	means PBA Holdings Berhad (Company Registration No. 515119-U) and its wholly owned subsidiary companies.

**Ethics
Committee
Members**

Chief Executive Officer, Chief Operating Officer and Division Head of Human Resource and Security.

(Note: The Ethics Committee may be replaced or appointed from time to time by the Chief Executive Officer).

Employee

means all levels of employees of PBAHB, its wholly owned subsidiary companies including such persons who are on permanent, contract, secondment, apprenticeship, attachment or any persons by whatever description under the supervision of PBAHB and its wholly owned subsidiary companies whether remunerated or otherwise.

2.2 Interpretation –

- i. Words importing the masculine shall be deemed and taken to include the feminine and neuter gender and vice versa. Words importing the singular shall be deemed and taken to include the plural and vice versa.
- ii. All references to statutes include amendments or modifications to such statutes and re-enactments thereof including the rules, regulations and all other subsidiary legislation in relation thereto.

2.3 Responsibilities of Employees

Employees of PBAHB are required to:

- i. observe a basic code of ethical conduct in the workplace.
- ii. uphold personal integrity and to adhere to the requirements of the law and to observe recognised standards of fair dealing.
- iii. be dedicated and loyal to PBAHB.
- iv. be responsible for conducting their work in a manner consistent with PBAHB's directives, guidelines and policies as issued from time to time.

Any Employee who suspects or who has knowledge of possible violation of the Code should immediately bring the matter to the attention of Authorized Persons designated by PBAHB. All matters so reported shall be treated and dealt with in complete confidentiality.

3.0 REPORTING OF VIOLATION(S) OF THE CODE

- 3.1 Violation of the Code affects the integrity of PBAHB as well as the integrity of its Employees. Not only does it lead to an unpleasant working environment, but it can also lead to serious legal and financial implications for PBAHB. PBAHB is dependant on Employees to report to any of the Authorised Persons any acts of violation of the Code by an Employee and to not condone or compromise any violation(s) of the Code.
- 3.2 An Employee who knows of a violation of the Code that has been committed by another Employee is under an obligation to report such violation to Authorised Persons i.e Division Heads or Head of Departments or any Ethics Committee member otherwise it shall be a violation of the Company's Disciplinary Procedures.
- 3.3 Appropriate action will be taken on reported violation(s) of the Code. If an issue cannot be resolved at the certain level, it shall be escalated to the next higher level until a resolution is reached. This is critical to the integrity of PBAHB

Complaints or reported violation(s) shall be handled and resolved according to the steps specified below.

Level	Authority	Action
Level 1	Division Heads/Head of Departments	To resolve issue within 14 working days from date of receipt of the written complaint.
Level 2	Ethics Committee	To resolve issue within 30 working days from date of receipt of the written complaint.

Note: The duration is an indicative period. Certain cases may take longer than the others based on the nature and complexity of the cases.

3.4 GUIDELINES

Guidelines to be observed when handling complaints and grievances:

- 3.4.1 interview the employee to understand the whole problem at hand,
- 3.4.2 do not interrupt when the employee is talking,
- 3.4.3 ask relevant questions to gather more information and facts about the issue,
- 3.4.4 ensure there is a common understanding of what the issue is about,

3.4.5 do not jump to conclusion,

3.4.6 verify all facts and information provided by the employee independently.

3.5 Retribution against Employees who report violation(s) of the Code is in itself unethical and inconsistent with ethical standards. PBAHB views such complaints about retribution just as seriously as any other violation(s) and will investigate and act accordingly in the same manner as that involving a breach of the Code.

4.0 ETHICS COMMITTEE

4.1 It is essential to form an Ethics Committee in PBAHB to handle issues relating to ethics that are complex in nature and to adopt sound decision making process.

The Ethics Committee will be headed by the Chief Executive Officer. For the purpose of discharging the relevant ethical issues across PBAHB, the Chief Executive Officer may appoint or adopt relevant expertise within PBAHB to give his or her views to the committee.

4.2 Responsibilities of the Ethics Committee are:

4.2.1 To render advisory opinions and to provide interpretation with respect to the provisions of the Code of Ethics.

4.2.2 Receive and evaluate anonymous complaints, letters or reports

4.2.3 Review and decide on any issues relating to ethics.

4.2.4 Make decisions on such issues relating to ethics that may arise.

4.2.5 Deliberate on any other complex issues brought to its attention.

5.0 THE CODE OF ETHICS

5.1 CONFIDENTIAL INFORMATION

In the course of employment, employees may come into possession of confidential or sensitive information and in particular, confidential and sensitive information relating to PBAHB, its customers and/or its business associates (“confidential information”). All employees are prohibited from disclosing any confidential information unless authorised to do so by their relevant Heads. It is therefore pertinent that all employees exercise caution and due care in handling any information obtained in the course of their duties.

Employees have a statutory, contractual and moral responsibility to safeguard any confidential information to which they may have obtained access and/or possessed in the course of their employment. The improper and unauthorised use of such confidential information is totally prohibited.

Employees are obliged to be bound by the provisions of the Personal Data Protection Act 2010 when dealing with personal data defined under the Act.

The following are principles and procedures of ethical conduct for Employees when dealing with and preserving confidentiality with regards confidential information:-

- 5.1.1 Where possible, Employee(s) making any disclosures shall mark as “confidential” all materials the employee(s) regard as embodying confidential information, so that recipients are aware that such information is to be treated as confidential;
- 5.1.2 Employees shall treat such information in strict confidence and not disclose such information to any unauthorised person and to take all necessary precautions to maintain such confidentiality and not use it for any purpose other than for what it has been authorised;
- 5.1.3 Employees who require and/or have access to confidential information shall not disclose the whole or any part of the information or have any discussions with any unauthorised person(s) in relation to the information;
- 5.1.4 When transferring confidential records, data or such information to other persons or entities, the Employee shall notify the recipient of the confidentiality of the said information;
- 5.1.5 No Employee shall make use of any confidential information obtained directly or indirectly in the course of his duties for his own personal use (whether or not it is for financial and/or other gain), unless duly authorised;

- 5.1.6 No Employee shall provide or transfer any confidential information obtained directly or indirectly in the course of his duties to another person(s) for the other person's personal use (whether or not it is for financial and/or other gain), unless duly authorised;
- 5.1.7 No Employee shall use any confidential information as a basis for any transactions for himself or make recommendations to another to enter into such transactions based on such information;
- 5.1.8 No Employee shall during or after cessation of his employment with PBAHB, disclose confidential information to any other person(s) within or outside PBAHB unless such information has subsequently (but prior to the Employee's above disclosure) entered the public domain.

5.2 CONFLICT OF INTEREST

5.2.1 The term "Conflict of Interest" describes any circumstance that could cast doubt on an Employee's ability to act with total objectivity with regard to PBAHB's interests and statutory duties. No Employee shall knowingly place himself in a position that would be in conflict with the interest or statutory duties of PBAHB. Employees in avoiding situations of conflict of interest shall:-

- a) Ensure that their personal financial circumstances and Transaction, do not jeopardize their independent judgement;
- b) Not hold any financial or other interest either directly or indirectly with any contractor, vendor or party having or is likely to have business dealings with PBAHB;
- c) Ensure that they are able to carry out their duties as an employee in the best interest of PBAHB business processes.

5.2.2 Whilst it is impossible to specify all situations where a conflict of interest may arise, the following are examples of situations that constitute a conflict, and shall be reported to an Authorized Person of PBAHB:-

- a) Any direct or indirect financial or other interest in a person or entity which has dealings with PBAHB or its subsidiaries where the Employee can influence decisions with respect to PBAHB's dealings with such person or entity;
- b) Serving on the Board of Directors or employment in any capacity (with or without remuneration) with any person or body that has dealings with PBAHB;

- c) Where such Employee acting in the official capacity of being a member of any tender/quotation/purchasing committee of PBAHB has a direct or indirect interest in a person or entity that has a relevant matter for consideration before the said tender/quotation/purchasing committee;
- d) Receiving commissions from contractor, vendor or friends/party having or is likely to have business dealings with PBAHB;
- e) Favourable terms in their personal business dealings with contractor, vendor or friends/party having or is likely to have business dealings with PBAHB. For example, personal dealings not be at arms-length basis and better terms with those offered to the public;
- f) Employees involved in political portfolios/activities beyond being an ordinary member, must obtain approval from CEO and use off duty time or annual leave entitlement for such purposes.
- g) Personal investment decisions influence Employees' or Directors' independent judgement on behalf of the PBAHB.

5.2.3 Where a conflict of interest situation arises, the Employee shall DISCLOSE in writing all potential conflict and where relevant, abstain from voting as a member of the relevant committee on any matter in which he may have an interest (direct or indirect) or where there may be potential conflict of interest. Further, where required, the said Employee shall submit a declaration of assets including any revised declarations within the time prescribed to Division Head of Human Resource and Security.

Directors or Employees, who have family members who are involved in business activities with PBAHB, and such relationship adversely affects the Director's or Employee's judgement to ensure decisions are made in the best interest of PBAHB, shall refrain from any related decision making process involving the said family members and/or their business.

Specific approval must be obtained before accepting any portfolio in any political parties. Employees who wish to stand for State and/or Federal election are required to resign from PBAHB.

5.2.4 Provisions Specific to Staff. Full-time employees have a full-time responsibility to PBAHB and may not engage in activities that would interfere with the discharge of this responsibility. No employee may have business dealings with PBAHB beyond receipt of salary and personnel benefits and reimbursement of authorized expenses. Any service as a director of, or advisor or consultant to, any business or non-profit organization must not only be stated on the employee's Disclosure Statement but, in the case of a relationship with an

organization doing business with or receiving a grant from PBAHB, permission must be sought in advance from the CEO (or from the Chairman of the Board if the CEO is involved). Permission will be granted only when it is determined that the interests of PBAHB are not compromised by the service to the other organization. Full disclosure of the relationship to the proposed grantee must be made again before the employee recommends any grant or transaction to or with the other organization and, if the recommendation goes forward, the disclosure must be presented to the Board and recorded in the Board minutes.

5.3 GIFTS, GRATUITIES AND/OR BRIBES

5.3.1 General

The Company takes a zero-tolerance approach towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all our business dealings and relationships wherever the Company operates, and implementing and enforcing effective systems to counter bribery and corruption.

The consequences of bribery and corruption are severe, and may include imprisonment for individuals, unlimited fines, debarment from tendering for public contracts, and damage to the Company's reputation. We therefore take our legal responsibilities very seriously.

You must not influence others or be influenced, either directly or indirectly, by paying or receiving bribes or kickbacks or any other measures that are deemed unethical or will tarnish the Company's reputation.

5.3.2 Bribery and Other Improper Payments

All Directors and Employees must comply with all applicable anti-corruption laws and regulations and treaties in all countries in which the Company operates.

All Directors and Employees of the Company shall not, whether directly or indirectly, offer, give, solicit, or accept any gratification including money, privileges, special benefits, gifts or other items of value, or grant or receive any kind of special or favoured treatment, services for the purposes of inducing, obtaining, retaining or directing any business dealings.

5.3.3 Gifts, Entertainment and Travel

The Company prohibits the use of gifts, entertainment and travel to influence business decisions. All Directors and Employees must comply with all applicable policies, procedures, laws and regulations related to the use of gifts, entertainment and travel in all aspect of the Company's practice.

5.3.3.1 Gifts

All Directors and Employees must not solicit any gifts from contractors, suppliers, customers, consultants and/or any business partners directly or indirectly. All Directors and Employees are also discouraged from accepting gifts from these parties.

All Directors and Employees must never accept or offer, with or without approval, gifts in the form of cash or cash equivalents, personal services or those otherwise that may put yourself in a position of conflict, influence your business decision or was otherwise intended or given with the expectation of gaining any advantage, or which may adversely affect the Company's reputation.

5.3.3.2 Entertainment

All Directors and Employees must not solicit any form of entertainment from contractors, suppliers, customers, consultants and/or any business partners directly or indirectly. You may accept invitations to social events or entertainment within reason according to the scope of your work provided these events or entertainment are not lavish or become a regular feature that may influence business decision making process.

Directors and Employees must not accept, engage or offer any entertainment that is indecent, sexually oriented or that otherwise might put yourself in a position of conflict or adversely affect the Company's reputation.

5.3.3.3 Travel

You may accept lodging and other expense (e.g. food, transportation) provided by contractors, suppliers, customers, consultants and/or any business partners within the host country if the trip is for working purposes and is reasonably provided.

Unless prohibited by law or the policy of the contractors, suppliers, consultants and/or any business partners, the Company may bear the costs of transportation and lodging

for contractors, suppliers, consultants and/or any business partners in connection with a visit to the Company's facility. The visit must be for a legitimate business purpose e.g. on-site examination of equipment, contract negotiations or training. Prior approval in accordance with established procedures must be obtained.

5.4 DISHONESTY/GENERAL CONDUCT

Employees shall adhere to the following guidelines in order to maintain compliance to the code of conduct, failure to comply can result in disciplinary actions be taken.

5.4.1 Adherence to the Law

PBAHB requires its employees to comply with the laws at all times. Employees are expected to adhere to the laws and avoid committing or being involved directly or indirectly in any criminal activity.

5.4.2 Employee Conduct

In general, employees are to comply with the following guidelines while discharging their duties or while being in the premises of the company. These following guidelines are applicable to all employees and are not limited to what are listed here:

- 5.4.2.1 shall not use foul or abusive language/behaviour when carrying out duties and/or within the company premises
- 5.4.2.2 always wear presentable attire while carrying out work in their official capacity.
- 5.4.2.3 always respect others, behave courteously and treating others with dignity.
- 5.4.2.4 always maintain religious or racial harmony and sensitivity at all times towards others
- 5.4.2.5 shall not commit discrimination whether racial, religious, gender and/or social to others
- 5.4.2.6 shall not participate in and/or incite civil commotions and unlawful strikes
- 5.4.2.7 must not have in possession and/or commit the act of distributing, sales or use of alcohol, illegal drugs or other controlled substances within and/or outside the

company's premises, except in the case of individual use of legally obtained prescription drugs

- 5.4.2.8 shall not cause wilful slow-down of work and/or incite others to do so and/or conduct that is disruptive towards carrying out work and/or discharging of duties
- 5.4.2.9 shall act to protect company's image at all times and shall not engage in immoral behaviour/ activities. This prohibition also covers acts of sending obscene/ pornographic materials via electronic media using company property or facilities.
- 5.4.2.10 shall protect, safeguard and ensure proper usage of assets of the company at all times. All employees are required to safeguard information in accordance to the Personal Data Protection Act 2010 (Act 709) and comply with the company's Information Security Management System (ISO/IEC 27001:2013)
- 5.4.2.11 shall not be involved directly or indirectly in any form of criminal activities, such as illegal gambling, the use of weapons and violence at workplace. The company's property, facilities, resources and services shall not be used by employees for purposes of financing or facilitating criminal activities
- 5.4.2.12 shall not commit fraud with intention to obtain advantage, avoid obligation and/or cause loss to another party. Fraud is also inclusive of the act of dishonesty or falsification of any company records or documents, including the use of false, misleading, or omitted information.

5.4.3 Discovery

Any Employee who becomes aware of any such activities as above is required to report such matters immediately to the Authorised Person(s) who will then refer the matter to the Division Head of Human Resource & Security who is empowered to conduct a full investigation. The management further reserves the right to report any actions or activities suspected of being of a criminal nature to the police or other relevant authority.

Employees should not attempt to conduct individual investigations or interviews/ interrogations in order to determine whether or not a suspected activity is, in fact, improper.

5.5 SEXUAL HARASSMENT

5.5.1 Sexual harassment by or of any person(s) employed by PBAHB, is unacceptable and strictly prohibited. Employees are to be guided by the provisions contained in the 'Code of Practice on the Prevention and Eradication of Sexual Harassment In the Workplace' issued by the Ministry of Human Resource, Malaysia and/or the company's policy on Prevention & Eradication of Sexual Harassment (Document No. PBA/HRS/ER/013.)

5.6 GENERAL COMPLIANCE

5.6.1 Outside Interest

No employee may engage in an outside interest that would encroach on his time and / or attention that is required to be devoted to PBAHB.

5.6.2 Property, Equipment and Use of Facilities

Employees shall not cause any damage to property whether belonging to PBAHB or to other Employees located within the premises of PBAHB or any use of any such property to commit any criminal acts and/or any act of misconduct as determined by PBAHB.

Properties of PBAHB assigned to Employees are strictly to be utilised for work related purposes only. Abuse or misuse of the properties so assigned is a serious violation of the Code.

5.6.3 Accurate Representation of Information

It is the responsibility of all employees to ensure that the public or any party dealing with PBAHB with whom the Employee is communicating with on behalf of PBAHB, receives accurate and authorised information only.

5.6.4 Proper Recording and Disbursement of Funds and Other Assets

Funds and other assets of PBAHB are to be used for legal and proper business purposes only. No unauthorised, false, improper or misleading records or entries shall be made in the books and records of PBAHB.

5.6.5 News Release

No Employee of PBAHB is authorised to make any statements about PBAHB to the news media or the public without prior approval of the

Chief Executive Officer or such other designated personnel or Authorised Persons of PBAHB.

5.6.6 Religious/Racial/Sexual Discrimination

No Employee of PBAHB shall practice any form of discrimination or prejudice in the workplace.

6.0 WHISTLE BLOWERS

A whistle blower is someone who tells a person of authority in the Company about wrong doing, misconduct or violation of a law or regulation that is happening in the Company.

The Company has established a Whistle Blower Policy and please refer to the terms specified in the policy.

7.0 DISCIPLINARY INQUIRY

Upon being notified of a violation of the Code, the Chief Executive Officer or persons delegated by the Chief Executive Officer, shall conduct an inquiry into such breach, according to procedures established for such an inquiry. The above inquiry and disciplinary proceedings shall be co-ordinated by Division Head of Human Resource and Security in accordance to the company's Disciplinary Procedure.

If there is any conflict in the interpretation between English and Bahasa Malaysia, the English version shall prevail.

Recommended by:-

Approved by:-

MOHD ZULKIFLI ABD HAMID
Division Head Human Resource

DATO' Ir. JASENI MAIDINSA
Chief Executive Officer