

 A Member of  MMC Group	Document Type:	Title:	Document Number:
	<b>POLICY AND FRAMEWORK</b>	<b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	<b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page 1 of 23
		Revision	4.0
		Date Published	14.08.2023


# **NORTHPORT (MALAYSIA) BHD**

**(198501014394)**

## **ANTI-BRIBERY AND ANTI-CORRUPTION (ABAC) POLICY AND FRAMEWORK**


	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>	
			Page	Page 2 of 23
			Revision	4.0
			Date Published	14.08.2023

	<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
	AMENDMENT PAGE	3
1.0	INTRODUCTION	5
2.0	DEFINITIONS	6
3.0	OBJECTIVES	6
4.0	ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT	7
5.0	SCOPE	8
6.0	NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION FRAMEWORK	9 – 17
7.0	CONFIDENTIALITY	17
8.0	DOCUMENT CHANGES	18
APPENDIX 1	TYPES OF CORRUPTION	19 – 21
APPENDIX 2	PENALTIES FOR BRIBERY AND CORRUPTION	22
APPENDIX 3	SECTION 17A MACC ACT 2009 – CORPORATE LIABILITY	23

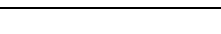

 <p><b>NORTHPORT</b> A Member of MMC Group</p>	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page 3 of 23
		Revision	4.0
		Date Published	14.08.2023

## AMENDMENT PAGE

Revision No.	Approved Date	Description of Change	Reason for Change	Page No.
<b>Initial Release</b>	1 June 2020	Initial release of document	Nil	Nil
<b>1.0</b>	2 November 2020	Northport's ABAC Policy statement	Incorporation of dedicated department and role of ABAC Compliance Function Department.	7
		ABAC Compliance Function Department	Changes of ABAC Compliance Function Department from HSSE to Internal Audit Department.	10
		ABAC Governance Structure	Changes in ABAC Governance Structure of ABAC Compliance Function Department in reporting directly to the Governing Body (NMB Board of Directors).	12
<b>2.0</b>	3 February 2021	Northport's ABAC Policy statement	Inclusion of impact for non-compliance with Malaysian Anti-Corruption Commission (MACC) Act 2009 and MACC (Amendment) Act 2018.	7
		ABAC Governance Structure, Functions and Responsibilities	Compliance with Prime Minister Directive Series 1 No.1 Year 2018: Establishment of the Integrity and Governance Unit (IGU) in Government-Linked Companies (GLCs), companies owned by the Ministry and Government agencies including the State Government.	10 - 12
<b>3.0</b>	14 November 2022	6.1.4 Integrity and Governance Unit ("IGU") Core Functions i. Risk and Integrity Management Department ("RIMD") ii. Internal Audit Department ("IAD"). (a) Complaints Management	i. Stating RIMD as an independent function and reporting directly to BOD on integrity matters. ii. Refining IAD's core functions on Complaints Management - Improper Conducts related to bribery and corruption.	10
		6.2.3 Ethical standards and compliance	Adding employee's roles and responsibilities (3Rs')	13
		6.3.1 Corruption Risk Management ("CRM")	Defining the corruption risk assessment process and inclusion of ECRAS.	13-15
		Clause 8.0 – Document Changes	Identifying the responsibility at each stage of the Policy, if there is any amendment made.	18

 <p><b>NORTHPORT</b> A Member of MMC Group</p>	<b>Document Type:</b> <b>POLICY AND FRAMEWORK</b>	<b>Title:</b> <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	<b>Document Number:</b> <b>NMB-ABAC-001</b>	
			<b>Page</b> <b>Page 4 of 23</b>	
			<b>Revision</b> <b>4.0</b>	
			<b>Date Published</b> <b>14.08.2023</b>	

Revision No.	Approved Date	Description of Change	Reason for Change	Page No.
<b>3.0</b>	14 November 2022	Appendix 2	Providing details on related penalties as stipulated in MACC Act 2009, MACC (Amendment) Act 2018. UK Bribery Act 2010, US Foreign Corrupt Practices Act 1977	22
		Appendix 3 (new appendix)	Providing details on S17A MACC (Amendment) Act 2018 – Corporate Liability	23
<b>4.0</b>	14 August 2023	ABAC Governance Structure	Changes in ABAC Governance Structure of ABAC Compliance Function in reporting to the Northport Audit Committee.	12,14
		Whistleblowing email	Changes in whistleblowing email using MMC domain.	17

 A Member of  MMC Group	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>		Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page		Page <b>5</b> of <b>23</b>
		Revision		4.0
		Date Published		14.08.2023

## 1.0 INTRODUCTION

The Malaysian Anti-Corruption Commission Act 2009 (“MACC Act” or the “Act”) which came into force on 1 January 2009 was aimed as a catalyst to improve corruption prevention in Malaysia. In 2018, MACC (Amendment) Act 2018 have been gazetted and the principle of commercial organisation’s criminal liability (corporate liability) was introduced in Section 17A of the Act. The Malaysian Anti-Corruption Commission has stated that the corporate liability provision of the MACC Act will be in force as of 1 June 2020.

Maintaining a workplace culture with strong ethics and integrity is part of a competent governance framework and is fundamental to good organisational performance toward creating a business environment that is fair, transparent and free from bribery and corruption. These principles of governance are embedded in Northport (Malaysia) Bhd (“Northport” or the “Company”)’s core values InCITE (Integrity, Customer focus, Innovation, Teamwork and Excellence).


The Northport Anti-Bribery and Anti-Corruption Policy & Framework (“Northport ABAC Policy” or the “Policy”) is designed as a foundation for Northport to establish, implement, maintain, review and improve an anti-bribery and anti-corruption system to support the Company’s four strategic objectives:

- i. Maximise shareholder value;
- ii. Provide excellent service to stakeholders;
- iii. Lead in value innovation; and
- iv. Become the preferred employer.

Pursuant to Guidelines on Adequate Procedures issued by the Government, the Northport ABAC Policy has been designed to provide company with a framework to establish the necessary measures to prevent the occurrence of corrupt practices in relation to our business activities. Northport encourages the use of the Company’s whistleblowing channel to raise concerns in relation to real or suspected corruption incidents (please refer to Northport Whistleblowing Policy).

The Northport ABAC Policy is linked to other Company policies, guidelines and procedures and it seeks to ensure that the Company’s employees, businesses and anyone acting for and on behalf of the Company comply with applicable laws and the provisions of this Policy.

*[The remainder of this page is intentionally left blank]*

	Document Type: <b>POLICY AND FRAMEWORK</b>		Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>		Page	Page <b>6</b> of <b>23</b>
			Revision	4.0
			Date Published	14.08.2023

## 2.0 DEFINITIONS

“**Bribery**” is defined in Appendix 1 of this Policy.

“**Business Partner**” refers to a third party which the company has a business arrangement, such as a joint venture (either incorporated or contractual) or a partnership. These include third parties, other than the suppliers that the relevant company enters into relationships with in order to satisfy local content requirements or regulations.

“**Corruption**” is defined in Appendix 1 of this Policy.

“**Disciplinary Offence**” means any action or omission which constitutes a breach of discipline in the Company as provided by law or the Company’s code of conduct, code of ethics, policies and/or a contract of employment, as the case maybe.

“**Gratification**” is defined in Appendix 1 of this Policy.

“**Governing Body**” refers to NMB Board of Directors or equivalent body.

“**Improper Conduct**” is any conduct which if proved, constitutes a Disciplinary Offence or a criminal offence. The definition is further defined in the Northport Whistleblowing Policy.

“**Northport**” or the “**Company**” refers to Northport (Malaysia) Bhd.

“**Personnel**” refers to the Company directors, executives, employees, temporary staff or workers, and interns.

“**Senior Management**” refers to the Northport Chief Executive Officer and Head of Divisions.


“**Whistleblower**” means any person who makes a disclosure of Improper Conduct in accordance with Northport’s Whistleblowing Policy.

Under this Northport ABAC Policy, words in the singular includes the plural and words in the plural includes the singular.

## 3.0 OBJECTIVES

The objectives of the Northport ABAC Policy are to:

- i. Implement an Anti-Bribery and Anti-Corruption management for the Company.
- ii. Determine and provide the resources needed to establish, implement, maintain and ensure continuous improvement of the Anti-Bribery and Anti-Corruption management.
- iii. Enhance the current controls of the Company bribery and corruption risks.
- iv. Eliminate any form of bribery and corruption or prevent the occurrence and potential recurrence of bribery or corruption within the Company.
- v. To provide a defence against corporate liability as introduced by the MACC (Amendment) Act 2018.

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page 7 of 23
		Revision	4.0
		Date Published	14.08.2023

#### 4.0 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT

Northport is committed to conduct business in an honest and ethical manner in full compliance with all applicable laws and regulations in every jurisdiction that Northport operates. Northport is committed to act professionally, fairly and with integrity in all our business dealings and relationships by implementing and enforcing effective systems to counter bribery.

Northport takes a zero-tolerance approach to bribery and corruption where all detected violations will be investigated and appropriate actions will be taken against those found responsible. Northport strives to develop, document, implement and continuously improve a functioning anti-bribery management system as an indispensable tool to prevent violations and boost the Company performance.

Every employee and port user of Northport including any agent, person or entity engaged under a contract for service or engaged by Northport for any business-related activity formally and informally should maintain the values of integrity, honesty and professionalism at the highest level at all times during his/her employment or engagement under Northport or when representing Northport in business transactions with third parties.

It is the responsibility of all employees and port users to report all incidents of corruption or any other integrity violations to the Internal Audit Department (IAD) or via the established Whistleblowing platforms. Disclosures from anonymous sources are also encouraged. All reports shall be treated with the strictest confidentiality and shall not be disclosed or discussed with parties other than those who are involved with the investigation.

In essence, Northport is fully committed to:

- Adopting a zero-tolerance approach to any form of corruption.
- Creating human capital with high ethical value and integrity.
- Acting in a fair, ethical and honest manner with all our employees and business associates.
- Upholding all applicable laws where Northport operates.

This Anti-Bribery and Anti-Corruption Policy Statement is complementary to and is to be read together with the following:



- Northport Anti-Bribery and Anti-Corruption Policy and Framework.
- Northport Whistleblowing Policy.
- MACC Act 2009 and MACC (Amendment) Act 2018.
- All other relevant Northport policies, frameworks, procedures, standards, rules and regulations.

Any person who commits an act of bribery, knows or fails to report an act of giving and offering of bribery is committing an offence under MACC Act 2009 and the MACC (Amendment) Act 2018. Upon conviction, the person shall be liable to a fine or imprisonment or both as stipulated under the Act.

This Anti-Bribery and Anti-Corruption Policy Statement demonstrates Northport's commitment towards having a strong culture of high ethical practice among its Personnel and embedding core values comprising **Integrity, Customer Focus, Innovation, Teamwork and Excellence (InCITE)** in all business practices.

Dato' Azman Shah Mohd Yusof  
Chief Executive Officer  
Northport (Malaysia) Bhd

Approval Date: 5 January 2021  
Revision 2.0


 A Member of  MMC Group	Document Type:	Title:	Document Number:
	<b>POLICY AND FRAMEWORK</b>	<b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	<b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>8</b> of <b>23</b>
		Revision	4.0
		Date Published	14.08.2023

## 5.0 SCOPE

Northport ABAC Policy is applicable to every Personnel, any agent, person or entity engaged under a contract for service or engaged by Northport for any business-related activity formally and informally.

*[The remainder of this page is intentionally left blank]*

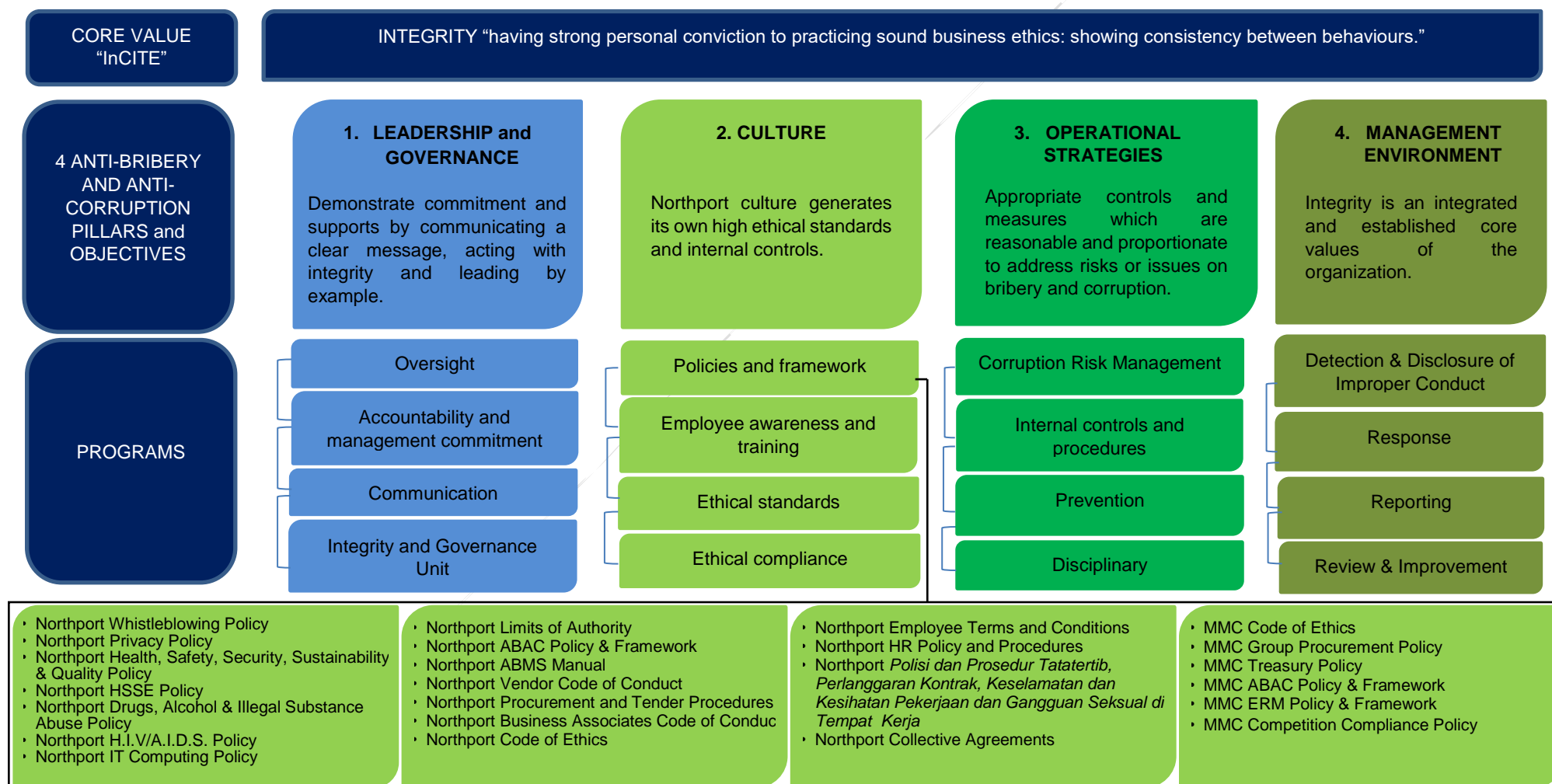



 A Member of MMC Group	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>9</b> of <b>23</b>
		Revision	4.0
		Date Published	14.08.2023

## 6.0 NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION FRAMEWORK

Northport adopts ISO 37001:2016 Anti-bribery management systems which specifies a series of measures to assist organizations to prevent, detect and resolve instances involving bribery and corruption. **Figure 1** below provides an overview of the Northport Anti-Bribery and Anti-Corruption Framework.

**Figure 1: Northport Anti-Bribery and Anti-Corruption Framework**



	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>10 of 23</b>
		Revision	4.0
		Date Published	14.08.2023

## 6.1 Leadership and Governance

### 6.1.1 Oversight – Governing Body

The Governing Body is responsible for establishing, governing, maintaining and reviewing the contents and operation of the Northport ABAC Policy. The Governing Body shall exercise discretion and reasonable oversight with respect to the adequacy, communication, effectiveness and implementation of the Northport ABAC Policy.

### 6.1.2 Accountability and management commitment – Senior Management

The Senior Management is accountable towards the implementation of the Northport ABAC Policy. In this respect, the Senior Management's responsibilities include the following:

- Implementing the Northport ABAC Policy to all level of organisation within the Company and set the right "tone at the top".
- Deploying adequate resources and assigned to person(s) who have the appropriate competence towards the effective implementation and operation of the Northport ABAC Policy.
- Review the anti-bribery and anti-corruption implementation program and propose for improvement as and when necessary.
- Putting in place the appropriate controls and contingency measures which are reasonable and proportionate, in order to address risks and issues on bribery and corruption.
- Providing ABAC awareness training to its employees and communicate the program.
- Ensuring overall oversight and assurance on compliance with the Northport ABAC Policy.

### 6.1.3 Communication

The Northport ABAC Policy shall be made available to all Personnel within the Company including Business Partners. To this end, the Northport ABAC Policy shall be published throughout the relevant company's internal and external communication channel.

### 6.1.4 Integrity and Governance Unit (IGU) Core Functions


#### i. Risk and Integrity Management Department (RIMD)

RIMD is the custodian of the Northport ABAC Policy and shall take the reasonable and proportionate measures to ensure the implementation of the Northport ABAC Policy and programme throughout the Company. RIMD shall report to General Manager, Finance on Risk Management and administrative matters. For Integrity matters, RIMD is an independent function and shall report directly to the Board of Directors ("BOD").

RIMD core functions under the ABAC Policy are:

#### a. Integrity Strengthening

- Plan, implement and coordinate integrity strengthening programs to enhance the practice of integrity in the organisation.
- Providing advice, guidance and communicate to Personnel on the Northport ABAC Policy and issues relating to bribery and corruption.
- Providing adequate and appropriate anti-bribery and anti-corruption training awareness to Personnel.
- Reporting on the performance of the Northport ABAC Policy to the Governing Body and Senior Management at planned interval.
- Prepare articles/inputs for integrity strengthening for publication and promotion to staff.

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>	
			Page	Page <b>11 of 23</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>		Revision	4.0
			Date Published	14.08.2023

b. Governance

- Update the Northport ABAC Policy to reflect relevant new changes as and when necessary.
- Conduct checks and research on policies, systems and work procedures and to suggest improvements.
- Coordinate the improvement of the organisation's relevant procedures and systems.

ii. Internal Audit Department (IAD)

IAD is the custodian of the Northport Whistleblowing Policy and shall manage the overall system, process and implementation of the Whistleblowing Policy. IAD shall monitor and evaluate the performance, efficiency and effectiveness of the Northport ABAC Policy and programme.

IAD core functions under the ABAC Policy are:


a. Complaints Management

- Supervise, monitor, and manage the receiving of information/complaints through Northport whistleblowing channel, audit report, and/or anonymous complaint on improper conducts related to bribery and corruption in an appropriate and timely manner.
- Ensure action is taken on information/complaint on bribery and corruption.
- Ensure information/complaint related to administration or not related to IGU matters are forwarded to the relevant department in the organisation.
- Prepare Complaints Statistics Reports periodically for monitoring purposes and to provide the report to RIMD on bribery and corruption matters.

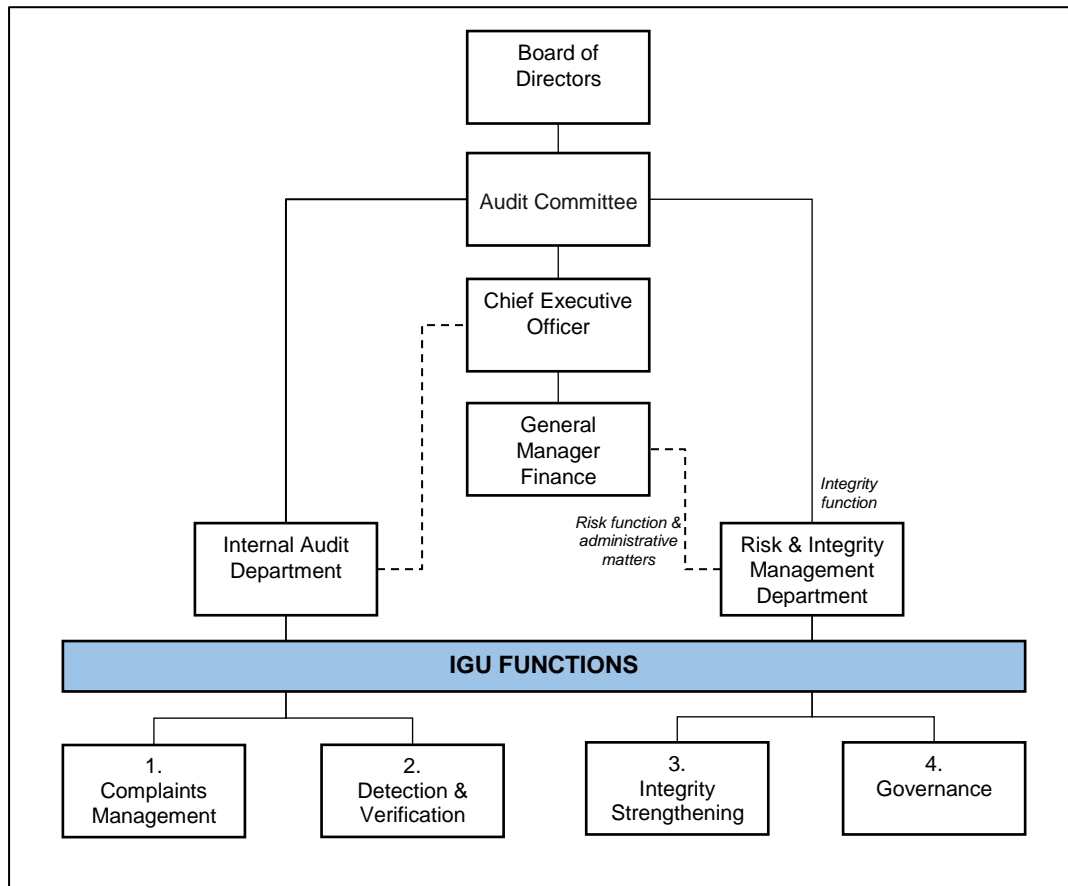
b. Detection and Verification

- Detecting and verifying information/complaints related to improper conducts, bribery and corruption in the organisation.
- Facilitate due and fair investigation process. Any person who discovers or suspects any improper conduct within the Company, should not attempt to conduct investigations personally or interrogate any suspect.
- Prepare a report (Assessment Report) within seven (7) working days from the date the disclosure was made to the Chairman of the Board informing the results of the assessment and recommend either to ignore the disclosure or to take further action and to provide the same report to RIMD on bribery and corruption matters.

The overall Anti-Bribery and Anti-Corruption Governance Structure is shown in Figure 2.

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>	
			Page	Page <b>12 of 23</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>		Revision	4.0
			Date Published	14.08.2023

**Figure 2: Northport Integrity & Governance Structure.**



## 6.2 Culture


### 6.2.1 Policies and framework

The current Northport sets of policies and framework provide a foundation to support the culture of good corporate governance and integrity throughout the Company. This includes but not limited to:

- i. **Northport Code of Ethics** (“COE”). Northport has adopted the MMC COE effective 19 November 2018. The COE outlines the Company’s commitment to appropriate and ethical practices. It sets out the principles, practices and standards of personal and corporate behaviour. All Directors and employees of the respective Companies are required to comply with the COE. Failure to comply with the COE is a serious breach, and appropriate action will be taken for its non-compliance.

The COE among other describes broad guidelines on the company and employees’ ethical practices on the followings:

- a. Individual’s responsibilities
- b. Business practices and professionalism
- c. Conflict of interests
- d. External directorships
- e. Bribery and corruption
- f. Rewards and gifts
- g. Entertainment of customers
- h. Facilitation payments
- i. Sponsorship and charitable contributions

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>13 of 23</b>
		Revision	4.0
		Date Published	14.08.2023

- j. Political, social or professional bodies or external activities
- k. Anti-Money laundering and Counter Financing of Terrorism
- l. Insider trading
- m. Confidentiality
- n. Working environment
- o. Sexual harassment
- p. Violation
- q. Procedure guideline

- ii. **Northport Whistleblowing Policy** provide an avenue for employees and third parties to make good –faith disclosure and report instances of unethical, unlawful or undesirable conduct without fear of reprisal. The identity of the whistleblower and the concerns raised are treated with utmost confidentiality.
- iii. **MMC Group Procurement Policy** outline the process of acquiring supplies or goods and services to fulfil Northport's strategic and operational needs, which require co-ordination of multiple discipline across the end procurement value chain; pre-procurement, procurement and post-procurement.

#### 6.2.2 Employee awareness and training

The Northport ABAC Policy aims to safeguard the Company core values by informing employees of the obligations, duties and commitments within their roles, the risks of corruption in their work and any changing circumstances which may be relevant to the employees. The awareness and training programmes shall be periodically updated as and when necessary to reflect relevant new information.

#### 6.2.3 Ethical standards and compliance

Every Personnel within the Company is expected to understand and comply with the relevant company policies and standards. Every Personnel are responsible to ensure that their personal and business conduct demonstrates honesty, integrity, leadership, professionalism, loyalty, responsibility and trustworthiness towards fellow employees, customers, Business Partners, authorities and the public.

The role of Northport personnel in regard to this Policy includes the following 3Rs':


- i. **REFRAIN** yourself from getting involved in any act of bribery or corruption including soliciting, offering, agrees or promise to give, giving or receiving gratification, either for your own benefit or other person or for the benefit of the company.
- ii. **REPORT** through whistleblowing channel if you have reasonable belief of any instances of bribery or corruption.
- iii. **REFER** to Head, IAD and/or company policies if you are in doubt or require further information.

### 6.3 Operational Strategies

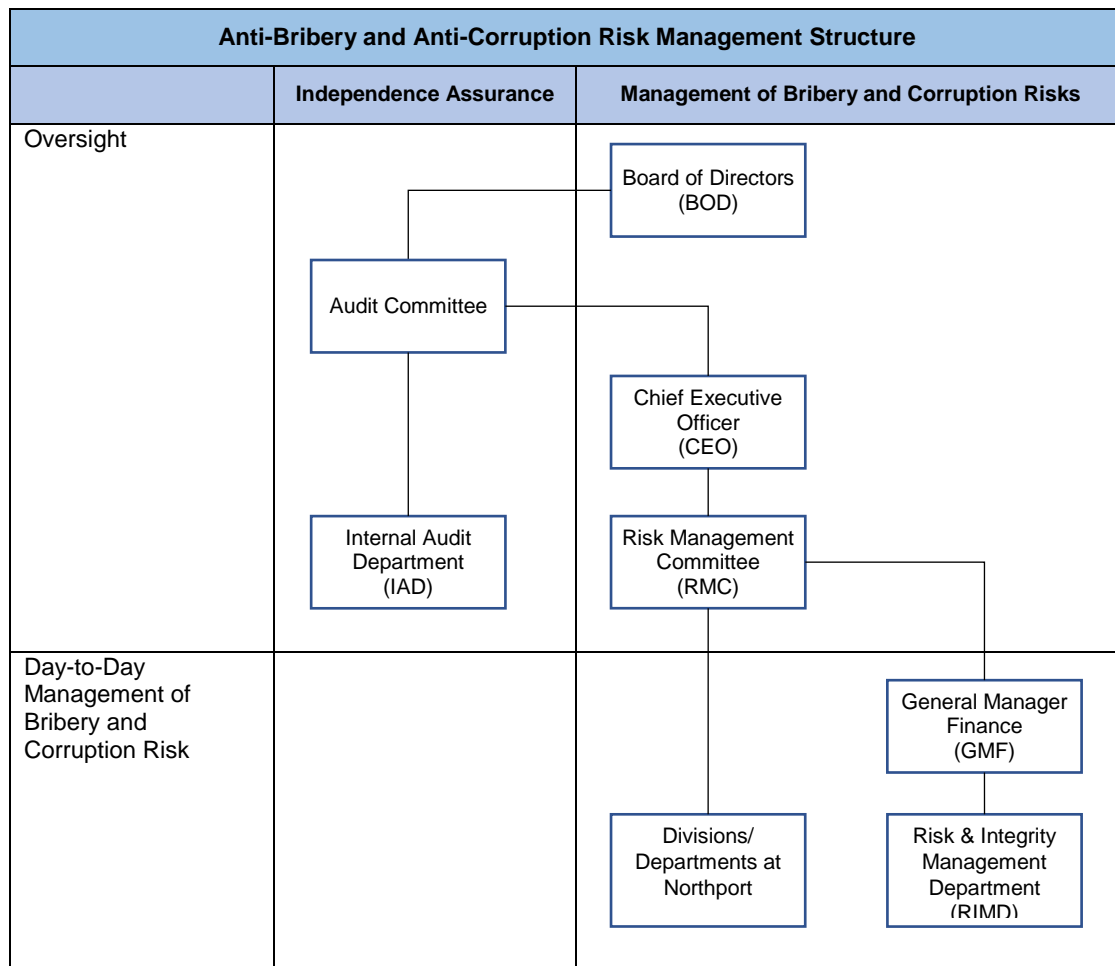
#### 6.3.1 Corruption Risk Management ("CRM").

Bribery and corruption risks identification and assessment are part of the wider Northport Risk Management Policy and Framework. CRM process helps the company to identify structural weakness that may facilitate bribery or corruption and provide a framework for all staff to take part in identifying risk factors and treatments and embeds bribery and corruption prevention within a well-established governance framework (refer Figure 3).

The company should conduct bribery and corruption risk assessments periodically and when there is a change in law or circumstance of the business.

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>	
			Page	Page <b>14 of 23</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>		Revision	4.0
			Date Published	14.08.2023


**Figure 3: Anti-Bribery and Anti-Corruption Risk Management Structure**



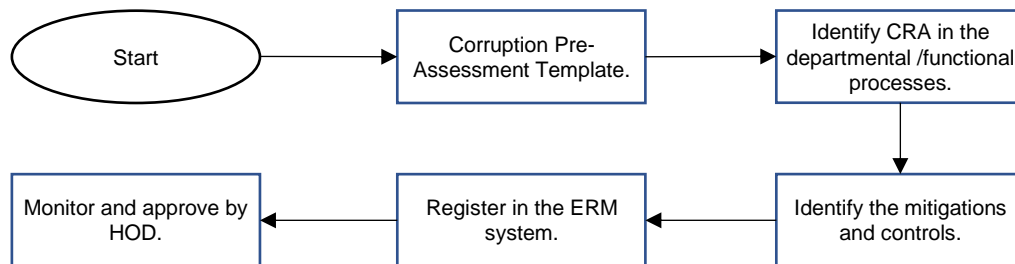
The Corruption Risk Assessment (“CRA”) process is guided by Northport Corruption Risk Management Procedure. Using the Corruption Risk Pre-Assessment template, the main process and areas of corruption risk carried by the business were identified. Information established through this pre-assessment process was then used to conduct a detailed Corruption Risk Assessment of the process and areas that the corrupt event or act is possible to happen.

Where bribery and corruption risk assessment ratings are “MODERATE” and above, the assessment shall include the nature and extend of bribery and corruption risk in relation to the transactions and this shall include due diligence to obtain sufficient information to assess the risk. The risk assessment for bribery and corruption shall be incorporated into the existing Enterprise Risk Management processes and system.

For each corruption risk identified, the mitigating actions were established, and the risk owner shall determine the risk rating accordingly. The risk shall be registered in Enterprise Risk Management (“ERM”) System for monitoring. The risk shall be assessed and reviewed on quarterly basis by the risk owner, mitigation action owner and control owner, and approved by the Head of Division/Department.(refer Figure 4)

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>	
			Page	Page <b>15 of 23</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>		Revision	4.0
			Date Published	14.08.2023

**Figure 4: Corruption Risk Assessment Process**



Registered corruption risks were then used as a reference for the tabulation of the company Enterprise Corruption Risk Assessment Scheme (“ECRAS”) to show the exposure of the company at the enterprise level to the corruption risks and impact especially to Section 17A.

RIMD shall present the ECRAS to the Risk Management Committee and submitted to the CEO on a quarterly basis. The CEO is requested if deemed fit, to approve and recommend the ECRAS updates to the Board.

The Board shall note the report so that they are aware on corruption risk scheme within the Organisation and ensure that appropriate actions are taken by the Management to mitigate the risks.


Types of corruption and acts of corruption are further defined in **Appendix 1**.

#### 6.3.2 Internal controls and procedures

The Company has strict internal controls to restrict and prevent any instances of bribery and corruption. There are clear and documented policies in respect of activities that may be vulnerable to bribery and corruption or in kind:

- **MMC Group Procurement Policy.** Northport has adopted the MMC Group Procurement Policy effective March 2016. The Policy outlines the key principles on conducting procurement process and activities to support fair competition, wide participation and good governance in compliance with the relevant laws, regulations and terms and conditions which protects both Northport and its vendors. The established due diligence process shall take place to any relevant entity or personnel (such as agents, vendors, contractors, suppliers and consultants) prior entering and formalised relationships with the company.
- **Northport Business Associates Code of Conduct** sets forth the principles and standards of conduct that Northport expects Business Associates to adhere to in their provision of works, supplies and services to Northport.
- **Northport Limits of Authority (“LOA”)** identifies the various persons/authorities responsible for various business transactions including matters that require Board approval. It sets out a clear line of accountability and responsibility of the relevant persons/authorities to facilitate decision making and approval at the appropriate level in the organization’s hierarchy.
- **HR Operating Procedures** defines the procedures relating to human resource functions governing operations and other related matters in achieving the organisation’s objectives. It also establishes the procedure and serves as a guideline for Northport’s employees to maintain good and professional conduct in a congenial working environment. The established due diligence process shall take place to any Personnel prior to entering any formalised relationships with the company.
- Clear role and responsibilities of each job position.



	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>16 of 23</b>
		Revision	4.0
		Date Published	14.08.2023

- All other relevant Northport policies, frameworks, procedures, standards, rules and regulations.

Internal Audit Reviews, which are undertaken according to Annual Internal Audit Plan, provides independent assurance on the adequacy, existence and effectiveness of the governance, risk management and control processes.

#### 6.3.3 Prevention

Preventive measures shall be taken with the aim to identify and resolve weaknesses in practices, systems and work procedures and continue to increase the level of efficiency by eliminating opportunities for bribery and corruption or in kind.

#### 6.3.4 Disciplinary action

The Company has a clear framework to deal with instances where employees are not in compliance with the code of conduct as stipulated in HR Operating Procedures. It seeks to ensure prompt, consistent and fair treatment for all employees and to assist in enabling both the employee and the Company to be clear about the expectations of both parties.

The Company has the rights to take disciplinary action against any employee found to have committed a breach of the company policies and procedures.

Further to disciplinary actions taken by the Company, any employee who commits an act of bribery or corruption, is committing an offence under MACC Act 2009 and the MACC (Amendment) Act 2018 and shall upon conviction, be liable to a fine and/or imprisonment as stipulated under the Act (refer to **Appendix 2: Penalties for Bribery and Corruption**).

### 6.4 Management Environment

#### 6.4.1 Detection and disclosure of improper conduct, response and report

The Company shall not tolerate any improper conduct by any employee, any agent, person or entity engaged under a contract for service or engaged by Northport which can lead to any act of corruption as outlined under *the Appendices* to the Policy herein and/or under any applicable laws.

An Improper Conduct includes committing any act of corruption as outlined under *the Appendices* to the Policy herein and/or under any applicable laws.



The success of the Company's anti-bribery and anti-corruption measures depends on all Personnel, including any person or entity engaged by the Company, adhering to the Company Policy & Framework. In this respect, all relevant parties are under an obligation to report or disclose any Improper Conduct, including acts of corruption, in accordance with the procedures set out in the Policy to enable the Company to take prompt action to investigate the reports and take further actions.

The Company shall provide a transparent and secure disclosure process upon discovery of any Improper Conduct to ensure anonymity of the Whistleblower without compromising the confidentiality of the report or security of the Whistleblower.

Any Improper Conduct that is discovered or genuinely suspected by the Whistleblower may be reported as follows:

- A disclosure of Improper Conduct may be made in writing to the Head, Internal Audit Department (Appointed Officer) and the disclosure shall be marked as 'Confidential', at the following address:



 A Member of  MMC Group	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page 17 of 23
		Revision	4.0
		Date Published	14.08.2023

**Head, Internal Audit Department  
Northport (Malaysia) Bhd  
Level 3, Northport A Building  
Jalan Pelabuhan, Pelabuhan Utara  
42000 Port Klang, Selangor  
Malaysia**

- ii. Disclosure of Improper Conduct may also be reported directly to the Audit Committee (AC) Chairman via a sealed envelope marked 'Confidential', at the following address:

**Chairman, Northport Audit Committee  
Ground Floor, Wisma Budiman,  
Persiaran Raja Chulan,  
Bukit Kewangan,  
50200 Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur**

or via electronic email to [nmbwbreport@mmc.com.my](mailto:nmbwbreport@mmc.com.my)

- iii. If the Improper Conduct involves the Appointed Officer, the CEO or any Board director, the Whistleblower is to report the matter directly to the Chairman of the Board at the specified above mailing and email address.

Any Personnel who knows and fails to report an act of giving and offering of bribes or any other acts of corruption is liable to misconduct under this Policy and risks committing an offence under the MACC Act 2009 and the MACC (Amendment Act) 2018. If the person is convicted under the Act, he/she is liable to a fine or imprisonment or both as stipulated under the Act.

The Company shall not penalise or hold any Personnel accountable for refusing to accept any gratification (defined under *Appendix 1* herein) even if the refusal results in the Company and/or any company within the Group of Companies suffering financial or non-financial losses.

The Company shall not penalised any Personnel for accepting any gratification, which is considered appropriate and consistent with a lawful business purpose, provided that the necessary declaration and recording in the Gift Register, we made by the Personnel consistent with the Company's Policy on the same time.



#### 6.4.2 Review & Improvement

The Senior Management should ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-bribery and anti-corruption programme, and ensure the programme is enforced. The reviews should form the basis of any efforts to improve the existing anti-bribery and anti-corruption controls in place in the Company.

## 7.0 CONFIDENTIALITY

This Northport ABAC Policy is intended for the internal use of Northport (Malaysia) Bhd only and shall not be reproduced in any form or be transmitted electronically or through other means or quoted or referred to in any public document or media without the prior written consent of the Company.


For any enquiries, please contact the Head, Risk and Integrity Management Department at 03 – 3169 8888.

 A Member of  MMC Group	Document Type:	Title:	Document Number:
	<b>POLICY AND FRAMEWORK</b>	<b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	<b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>18</b> of <b>23</b>
		Revision	4.0
		Date Published	14.08.2023

## 8.0 DOCUMENT CHANGES

This document may be reviewed and/or amended at least once every three (3) years from the date this document is approved or whenever necessary to ensure its effective implementation. Any amendment to this Policy shall be prepared by RIMD, reviewed by RMC, endorsed by CEO and approved by the BOD.

The Company shall notify the employees if any changes are made to the Northport Anti-Bribery and Anti-Corruption Policy and Framework.

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>19 of 23</b>
		Revision	4.0
		Date Published	14.08.2023

## APPENDIX 1

### TYPES OF CORRUPTION


The Malaysian Anti-Corruption Commission (MACC) defined corruption as the act of giving or receiving any “gratification” or reward in the form of cash or in-kind value for performing a task in relation to his/her job description.

Gratification is defined as:

- i. money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit or any other similar advantage or value;
- ii. any office, dignity, employment, contract of employment or services and agreement to give employment or render services in any capacity;
- iii. any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- iv. any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- v. any forbearance to demand any money or money's worth or valuable thing;
- vi. any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or form any action or proceeding of a disciplinary, civil or criminal nature, whether or not already insinuated, and including the exercise or the forbearance from the exercise of any right or any official power of duty; and
- vii. any offer, undertaking or promise, whether conditional or unconditional, of any Gratification within the meaning of any of the preceding paragraphs (i) to (vi).

Further to the foregoing, the following acts shall constitute an act of Corruption:

- i. **Petty Corruption**  
Also known as administrative corruption, it involves the exchange of very small amounts of money and the granting of small favours. These, however, can cumulatively result in considerable public losses.
- ii. **Grand Corruption**  
It spreads through the highest levels of organization, bringing about major abuses of power, disobedience of the rule of law, economic instability and the breakdown of good governance.
- iii. **Active and Passive Corruption**  
The former refers to the act of offering or paying a bribe (where the payment of a bribe has taken place) and the latter refers to the request or receiving of a bribe.
- iv. **Bribery**  
Bribery is the most common form of corruption. It is described as the act of offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financially or non-financially), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person duties.
- v. **Embezzlement, Theft and Fraud**  
Embezzlement, theft and fraud involve stealing by an individual exploiting his or her position of employment. Fraud involves the use of false or misleading information to induce the owner of a property to part with it voluntarily. Theft is universally regarded as falling within corruption definitions where it occurs, carrying with it as it does, a breach of a fiduciary duty.

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>		Page	Page <b>20</b> of <b>23</b>
		Revision	4.0
		Date Published	14.08.2023

**vi. Extortion**

Extortion relies on coercion to induce cooperation, such as threats of violence or the exposure of sensitive information.

**vii. Abuse of Function**

The abuse of function or position is the performance of or failure to perform an act by a Personnel, in violation of the law, with a view to obtain an undue advantage for himself/herself or for another person or entity.

**viii. Favouritism and Nepotism**

Favouritism, nepotism and clientelism involve abuses of discretion. Such abuses can either involve a direct personal benefit or does not involve a direct personal benefit to the Personnel. Such abuses happen when a person or an organization is selected, regardless of qualifications, merit, or entitlement, for a job or benefit because of affiliations or connections.

**ix. Creating and Exploiting Conflicting Interest**

Creation or exploitation of some conflict between the individual's professional responsibilities and his or her private interest. The offering of a bribe creates such a conflict where none may have existed hitherto. In both the public and private sectors, employees and officials are routinely confronted with circumstances in which their personal interests conflict with their responsibility to act in the best interests of the state or their employer.

**x. Improper Political Contribution**

Political donations that are made in contravention of anti-corruption laws and regulations.

**xi. Kickbacks**

These are bribes fulfilled after an enterprise has awarded a contract to a customer. They take place in purchasing, contracting, or other departments responsible for decisions to award contracts. The supplier provides the bribe by kicking part of the contract fee back to the buyer, either directly or through an intermediary.

**xii. Facilitation payments**

These are typically payments made to secure or expedite the performance of a routine or necessary action to which the payer is entitled, legally or otherwise.

**xiii. Charitable donations, sponsorship, travel, and promotional expenses**

These are legitimate activities for entities but can be abused as a subterfuge for bribery. There are risks attached to such transactions where it may be perceived that an advantage has been given to obtain or retain business.

**xiv. Conflict of interest**


A conflict of interest occurs where a person or entity with a duty to the enterprise has a conflicting interest, duty, or commitment. Having a conflict of interest is not in itself a corruption, but corruption can arise where a Personnel the duty due to the enterprise by acting in favour to a separate interest to the detriment of the enterprise.

**xv. Collusion**

This can take various forms, of which the most common include bid rigging, cartels, and price-fixing.

**xvi. Bid rigging**

The way that conspiring competitors effectively raise prices in situations where purchasers acquire goods or services by soliciting competing bids. Essentially, competitors agree in advance who will submit the winning bid on a contract through a competitive bidding process. As with price fixing (see below), it is not necessary that all bidders participate in the conspiracy.

	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>	
			Page	Page <b>21</b> of <b>23</b>
			Revision	4.0
			Date Published	14.08.2023

**xvii. Price fixing**

An agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. It is not necessary that the competitors agree to charge exactly the same price, or that every competitor in a given industry join the conspiracy. Price fixing can take many forms, and any agreement that restricts price competition may violate applicable competition laws.

**xviii. Cartels**

A secret agreement or collusion between enterprises to commit illicit actions or fraud. Typically, this will involve price fixing, information sharing, or market rigging by setting quotas for production and supply.

**xix. Illegal information brokering**


The brokering of corporate confidential information obtained by illegal methods.

**xx. Insider trading**

Any securities transaction made when the person behind the trade is aware of non-public material information and is hence violating his or her duty to maintain confidentiality of such knowledge.

**xxi. Tax evasion**

The illegal non-payment of tax to the government of a jurisdiction to which it is owed by a person, enterprise, or trust who should be a taxpayer in that jurisdiction.


 A Member of MMC Group	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>	
			Page	Page <b>22</b> of <b>23</b>
			Revision	4.0
			Date Published	14.08.2023

## APPENDIX 2

### PENALTIES FOR BRIBERY AND CORRUPTION

S17A MACC (AMENDMENT) ACT 2018 - CORPORATE LIABILITY	MACC ACT 2009 – SECTION 16, 17, 18, 20, 21, 22 AND 23.	UK BRIBERY ACT 2010
Up to <b>twenty (20) years</b> imprisonment.	Up to <b>twenty (20) years</b> imprisonment, and	Up to <b>ten (10) years</b> imprisonment – accounting offences may be prosecuted under other Statutes.
Minimum fine of <b>RM1,000,000</b> or not less than <b>ten (10) times</b> the sum or value of gratification; whichever is the higher.	Minimum fine of <b>RM10,000</b> or not less than <b>five (5) times</b> the sum or value of gratification; whichever is the higher.	<b>Unlimited fine</b> ; additionally Serious Crime Prevention Orders, Winding up proceedings, debarment, director disqualification and regulatory / disciplinary action.
Or both penalties of the fine and jail term.	Or both penalties of the fine and jail term.	Civil Recovery Orders – no criminal conviction required (lower threshold of proof).

US FOREIGN CORRUPT PRACTICES ACT (“FCPA”) 1977
Up to <b>five (5) years</b> imprisonment for bribery, <b>twenty (20) years</b> for accounting offences.
Criminal fines for entities of up to <b>USD2 million</b> (bribery) or <b>USD25 million</b> (violation of accounting provisions), or twice the benefit sought, and debarment; for individuals, fines of up to <b>USD100,000</b> (bribery) or <b>USD5 million</b> (accounting offences).
Civil penalties of up to <b>USD10,000</b> per (bribery) violation or <b>USD500,000</b> per (corporate accountancy) violation.

 A Member of MMC Group	Document Type: <b>POLICY AND FRAMEWORK</b>	Title: <b>NORTHPORT ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND FRAMEWORK</b>	Document Number: <b>NMB-ABAC-001</b>
	<b>HEAD, RISK AND INTEGRITY MANAGEMENT DEPARTMENT</b>	Page	Page <b>23</b> of <b>23</b>
		Revision	4.0
		Date Published	14.08.2023

### APPENDIX 3

#### SECTION 17A MACC ACT 2009 – CORPORATE LIABILITY (EFFECTIVE 1 JUNE 2020)

The provision under Section 17A MACC Act 2009 is a provision that stipulates a corporate liability principle where a commercial organisation can be considered guilty if any of its employees and/or associates commit corruption for the benefit of the organisation. The commercial organisation is also considered guilty in the event whether or not, the upper management or its representatives know about the corruption acts committed by its employees or associates.

1. **S17A (1):** A commercial organisation commits an **offence**:
  - If a **person associated** with commercial organisation **corruptly** “gives, agrees to give, promises or offers to any person” any **gratification**.
  - Gratification can be either for “benefit of that person or another person”
  - With **intent** to “obtain OR retain business for commercial organisation” OR “to obtain OR retain advantage in conduct of business for commercial organisation”.
2. **S17A (2):** Any commercial organisation which commits an offence shall, on conviction, **be liable to**:
  - a fine not less than **10 times the sum or value** of gratification or **RM1 million**, whichever is **higher**, AND/OR
  - its officers concerned, **imprisonment** for a term not exceeding **20 years**.
3. **S17A (3):** If offence is committed by Commercial Organisation, a person who is Director, Controller, Officer, Partner or is concerned in management of commercial organisation's affairs is deemed to have committed the offence. As defence, he bears the burden to prove:
  - that offence was committed without his consent OR connivance; AND
  - that he **exercised due diligence to prevent commission** of offence as he ought to have exercised, having regard to “nature of his function in that capacity & to the circumstances”.
4. **S17A (4): Defence** available to commercial organisation in event of a charge is to prove:  
That it had in place “**adequate procedures**” designed to prevent persons associated with commercial organisation from undertaking such conduct.

Note:

Under Section 17A(6) MAAC Act 2009, a person is associated with a commercial organization if he is a director, partner or an employee of the commercial organization or he is a person who performs services for or on behalf of the commercial organization, which will be decided based on relevant circumstances.