HONG LEONG INVESTMENT BANK
ANTI-BRIBERY AND CORRUPTION POLICY

1. PURPOSE

1.1. This Anti-Bribery and Corruption Policy ("**Policy**") sets out the policy and framework of Hong Leong Investment Bank Berhad ("**Bank**" or "**HLIB**") in relations to observing and upholding the Bank's zero-tolerance position on bribery and corruption with reference to the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act 2009**").

1.2. This Policy serves to provide guidance on how to prevent, deal with and combat bribery and corrupt activities and issues that may arise in the course of business activities and to ensure that adequate procedures are implemented to prevent the occurrence of corrupt practices in the Bank in line with the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2009 ("**AP**").

2. SCOPE

2.1. This Policy applies to all directors, employees (whether temporary, fixed-term, or permanent), trainees, seconded staff, casual workers, agency staff, volunteers and interns of the Bank ("collectively, "**Personnel**").

2.2. The Bank also expects partners, contractors, subcontractors, vendors, suppliers, service providers, consultants, agents, representatives and any other person performing work or services for or on behalf of the Bank, or any other person or persons associated with the Bank (collectively, "**Associated Persons**"), to comply with this Policy when performing such work or services.

2.3. This Policy must be read in conjunction with other relevant HLIB's Policies and Standard Operating Procedures ("**SOP**") including laws, regulations and guidelines issued by regulatory bodies such as, but not limited to:-

- Malaysian Anti-Corruption Commission Act 2009;
- Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2009;
- Whistleblower Protection Act 2010;
- HLIB's Anti-Bribery and Corruption SOP;
- HLIB's Compliance Policy;
- HLIB's Code of Conduct & Ethics;
- HLIB's Donation and Sponsorship Policy;
- HLIB's Finance Policy on Capital Expenditure Request;
- HLIB's Gifts and Entertainment SOP;
- HLIB's Procurement Management Policy;
- HLIB's Tender Management Policy;
- HLIB's Referral Fee and Rebate Policy;
- HLIB's Whistleblowing Policy and SOP;
- HLIB's Disciplinary Committee Policy (For Job Grade Below M1, Except Senior Officers and other Material Risk Takers);

- HLIB's Disciplinary Committee Policy (For Job Grade M1 and Above, Senior Officers and other Material Risk Takers);
- HLIB's Disciplinary Procedures and Processes;
- Any other applicable laws, guidelines, circulars, directives, orders, policy documents, notifications and standards issued by MACC; and
- Any other applicable policies and SOP issued by HLIB or Hong Leong Group (where relevant to HLIB) from time to time

3. POLICY STATEMENT

3.1. The Bank has a zero-tolerance position for bribery and corrupt activities.

3.2. The Bank is committed to acting professionally, fairly, and with integrity in all our business dealings and relationships and is committed to implementing and enforcing systems to prevent the occurrence of bribery and corruption.

3.3. The Bank, its Board of Directors ("**Board**") and Senior Management of HLIB do not condone or consent to any Personnel or Associated Persons:

(a) corruptly soliciting, receiving or agreeing to receive any gratification whether for him/herself or for any other person; or

(b) corruptly giving, agreeing to give, promising or offering to any person any gratification whether for the benefit of him/herself or of another person, as an inducement to or reward for:
   (i) obtaining or retaining a business for the Bank;
   (ii) obtaining or retaining any advantage in the conduct of business for or affairs of the Bank or for any other person; or
   (iii) doing or forbearing to do anything in respect of any matter or transaction in the conduct of business for or affairs of the Bank.

The Bank will uphold all laws and regulatory requirements relating to anti-bribery and corruption ("**ABC**") in all the jurisdictions in which it operates.

3.4. The Bank treats any violation of this Policy seriously and will undertake necessary actions, including, but not limited to, review of employment or appointment, disciplinary actions, dismissal, and reporting to the authorities, consistent with the relevant laws and regulations.

3.5. The Bank shall provide to Hong Leong Financial Group Berhad's Chief Compliance Officer, reports and information in relation to its implementation of the requirements of this Policy including the Bank's ABC Programme and information on bribery and corruption incidences in the Bank.

4. PRINCIPLES

4.1. PRINCIPLE I : TOP LEVEL COMMITMENT

4.1.1. Bank's Board and its respective Committees

The Board and its respective committees shall:

(a) provide oversight for:
  (i) maintaining highest level of corporate integrity and ethics;
  (ii) compliance with applicable laws and regulatory requirements on ABC; and
  (iii) managing the key bribery and corruption risks of the Bank;

(b) approve this Policy;

(c) endorse the ABC Programme;

(d) receive and review reports on the implementation of this Policy and the effectiveness of the ABC Programme; and

(e) manage whistleblowing cases.

4.1.2. Bank's Senior Management

The Senior Management of the Bank shall:

(a) ensure that the Bank practices the highest level of integrity and ethics;

(b) ensure that the Bank complies fully with applicable laws and regulatory requirements on ABC; and

(c) effectively manage bribery and corruption risks of the Bank;

4.1.3. Personnel and Associated Persons

Each Personnel and Associated Person shall:

(a) observe and uphold the Bank's zero-tolerance position on bribery and corruption;

(b) observe this Policy; and

(c) raise concerns about improper conduct or wrongful act at the earliest opportunity, through the various communication channels including as set out in the Whistleblowing Policy.

4.1.4. Compliance Function

The Bank's Compliance Department shall attend to all ABC compliance matters including the provision of advice and guidance to Personnel and business associates in relation to ABC, as well as the coordination and monitoring of the implementation of this Policy, taking into consideration the Bank's risk assessment in relation to bribery and corruption.

The responsibility to ensure compliance with the ABC related policies and procedures, however lies with the respective business or functional units.

4.1.5. ABC Programme

The Bank shall establish and maintain an ABC compliance programme ("**ABC Programme**") with the objective of minimising and mitigating opportunities for bribery and corruption in the Bank and to address bribery and corruption risks in the Bank.

The ABC Programme shall include the establishment and maintenance of clear and adequate ABC policies, procedures and control systems to adequately address bribery and corruption risks, as well as communication and training on the Bank's policies and commitment on ABC for internal and external parties.

The ABC Programme shall be endorsed by the Board and/or relevant Board Committee. On annual basis, the Senior Management shall monitor, review and improve on the effectiveness of the ABC Programme.

4.2. PRINCIPLE II: RISK ASSESSMENT

4.2.1. Bank shall undertake a comprehensive ABC risk assessment of the Bank at least once in two (2) years and as and when necessary, including when there is a change in law or circumstance of the Bank's business, to identify, analyse, assess and prioritise the internal and external bribery and corruption risks of the Bank. Bribery and corruption risks shall be included in the annual risk assessment of a public listed company.

4.2.2. The Bank's ABC risk assessment report shall be presented to the Bank's BARMC and/or Board for review.

4.3 PRINCIPLE III: UNDERTAKE CONTROL MEASURES

The following control measures shall be implemented by the Bank:

4.3.1 Due Diligence

(a) The Bank shall undertake due diligence to assess the integrity of its Personnel and Associated Persons, which shall include background checks, document verification or conducting interviews, prior to entering into any formal relationships with them and periodically thereafter.

(b) Where the Associated Person is a company, due diligence shall be conducted on its directors and Senior Management as well.

(c) The departments in the Bank responsible for conducting the relevant due diligence are as follows:

Parties	**Department Responsible**
Board members	Secretarial Department
Employees, trainees, interns, secondees, agency staff, casual workers, volunteers	Human Resources and Corporate Services Department
Agents (ie: Stockbroking)	Functional department

Contractors, Vendors, Suppliers, Service Providers	Functional department
Consultants, Brokers, Professional Firms (eg. Audit, Investment Banks, Lawyers)	Functional department

4.3.2. Reporting Channel

(a) Internal and external parties are encouraged to raise concerns in relation to real or suspected bribery and corruption incidents or inadequacies of the Bank's ABC Programme at the earliest opportunity, through the Bank's whistleblowing channel. Additionally, employees may raise such concerns directly to their Head of Department or the Compliance Department as per the Compliance Policy.

(b) Please refer to the Bank's Whistleblowing Policy and Compliance Policy (for employees) for details on how such concerns may be raised.

(c) Where relevant, the Bank shall report the details of the bribery and corruption incidents to the Commission or relevant law enforcement agency.

4.3.3. Conflict of Interest

(a) A conflict of interest is a situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another.

(b) The Bank seeks to ensure that a conflict of interest does not adversely affect the interests of the Bank, its shareholders, clients and other stakeholders through the identification, prevention and management of the conflict of interest.

(c) All the Bank's Heads of Departments shall:

(i) actively seek to identify and mitigate conflicts of interests in their department;

(ii) determine the best course of action to resolve, manage or avoid the conflict of interest; and

(iii) document relevant process and procedures accordingly.

(d) All Personnel and Associated Persons shall declare any personal interest he/she or persons connected to them may have in any Bank's decision/matter that he/she is involved in.

4.3.4. Policies and Procedures

Below sets out the Bank's policy principles, policies and procedures established for the following areas:

(a) **Gifts and Entertainment:** The receipt and giving of gifts and entertainment shall be governed by the Bank's Code of Conduct & Ethics and the Gifts and Entertainment Procedures. Employees are

to exercise good judgement and ensure that the giving or receiving of any gift or entertainment does not create a perception of improper influence.

Directors should refrain themselves from receiving, soliciting, giving or offering any gift (including cash or cash equivalent) and/or entertainment or any other form of benefits from or to persons or entities who deal with the Bank where the gift and/or entertainment would reasonably be expected to influence the performance of the director's duties in any aspect.

Employees are prohibited to receive, solicit, give or offer the following gifts and/or entertainment:

(i) Any amount of cash or cash equivalent;

(ii) Any other forms of gifts and/or entertainment, in exchanges for an act or forbearance by the Bank or an act or forbearance for the benefit of the Bank; and

(iii) Any gifts and/or entertainment for purposes which are prohibited under the laws of Malaysia or the jurisdiction in which it conducts business.

Subject to the above prohibition, all employees must promptly declare or obtain approval (as required under the Bank's Gifts and Entertainment Procedures) for any gift or entertainment of an estimated value of above RM100 or equivalent which they give or receive from external parties. Gift or entertainment received that are not approved by the relevant approving authority in accordance with the Bank's Gifts and Entertainment Procedures must be returned to the person who provided the said gift or entertainment, or shall be donated to a charitable organisation approved by the Bank.

(b) **Donation and Sponsorship:** Donations and sponsorships shall be governed by the Bank's Donation and Sponsorship Policy which provides that:

(i) no political donation is permitted;

(ii) due diligence must be conducted on recipients of donations by the Bank to ascertain that they are of reputable standing; and

(iii) all donation requests must be reviewed and approved as per the Bank's Donation and Sponsorship Policy.

(c) **Facilitation Payments:** Facilitation payments of any kind are prohibited. Facilitation Payment means payment made to secure or expedite the performance of an action or a service that the Bank is entitled to, eg. Where a government official is given money or goods to perform (or to speed-up the performance of) an existing duty**.**

(d) **Financial Controls:** All expenses and claims shall be governed by the Bank's payment approval authority limit and/or Finance Department's policy and procedures.

(e) **Procurement:** Procurement activities shall be governed by the Bank's Procurement Management Policy and Tender Management Policy which establish governance and controls for fair and transparent procurement, including due diligence review, conflict of interest management and approval requirements.

(f) **Dealing with Public Officials:** Caution must be exercised when dealing with Public Officials, given that any giving or offering of gratification may be perceived to be bribery and corruption because of the nature of Public Officials' role and that Public Officials are in position of authority. Bribery of Public Officials is an offence.

The Bank's Gift and Entertainment Procedures provide that:

(i) any offer or receipt of entertainment to or from Public Officials must be in accordance with the Bank's Gift and Entertainment Procedures as summarised in paragraph 4.3.4 (a); and

(ii) save for corporate gifts and subject to the thresholds and corresponding approving authority in the Bank's Gift and Entertainment Procedures, offer or giving of gifts to Public Officials is prohibited.

4.3.5. Record Keeping

The Bank shall keep a record of all documentation and records relating to the requirements of this Policy (including related policies and procedures) and AP requirements, for at a minimum period of seven (7) years. This includes:-

(a) financial records and documentation trail which evidence, substantiate and justify the business reasons for any payments made and receipt of payments by the Bank;

(b) reports and written records of the amount and reason for gifts and entertainment received and given;

(c) donation and sponsorships;

(d) reports and information received pursuant to whistleblowing report; and

(e) approval for all ABC-related matters.

Requirements with regard to record keeping for managing documentation related to the AP shall be set out in the respective ABC related policies and/or procedures.

4.4. PRINCIPLE IV: SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

Senior Management shall ensure regular reviews are conducted to assess the performance, efficiency and effectiveness of the Bank's ABC Programme.

4.4.1 Review

(a) Internal audit shall review the Bank's ABC Programme and control measures to assess the performance, efficiency and effectiveness of the same. The review shall be undertaken at least once every three (3) years.

(b) The Senior Management shall review the audit report and consider improvements on the Bank's policies and procedures in relation to bribery and corruption.

(c) The audit report shall be presented by internal audit to the Bank's BARMC and/or Board for review.

4.4.2 Monitor, Review and Reporting

(a) The Bank's Heads of Departments shall monitor the performance of their Personnel in relation to this Policy and report non-compliances to the Bank's Senior Management and the Head of Compliance department.

(b) On an annual basis the ABC Policy owner shall:

(i) review and assess whether the requirements and standards set out in this Policy are effectively implemented and adequate to effectively manage the bribery and corruption risk faced by the Bank;

(ii) where necessary, propose continual improvement measures and opportunities; and

(iii) report to the Bank's Senior Management and the Board on the implementation and adequacy of Policy requirements in the Bank, setting out the following:

- the status of actions from previous reviews on Policy implementation and adequacy;
- information on the implementation of this Policy, including the developments in, where applicable:
  - non-conformities and corrective actions;
  - monitoring and measurement of results;
  - reports of bribery and corruption activities;
  - investigations of such reports; and
- effectiveness of actions taken to address bribery and corruption risks.

(c) On an annual basis, the Senior Management and Board shall review the implementation of this Policy to ensure its continuing suitability, adequacy and effectiveness in preventing or mitigating the Bank's bribery and corruption risks.

4.4.3 Enforcement

The Bank shall take disciplinary action and/or any other action, including dismissal or legal action, as appropriate against Personnel or Associated Persons found to be non-compliant with this Policy or ABC laws.

4.5. PRINCIPLE V: TRAINING AND COMMUNICATION

4.5.1 Communication

The Bank shall communicate the Bank's policies and commitments on ABC to relevant internal and external parties.

4.5.2. Training

The Bank shall develop and implement a training programme on the Bank's policies and commitments on ABC for employees and relevant parties, as appropriate.

5. Definitions

The following terms used in this Policy are defined as follows:

ABC	anti-bribery and corruption.
ABC Programme	Bank's ABC compliance programme.
AP	means Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2009.
Associated Persons	has the meaning set out in paragraph 2.2.
Bank or **HLIB**	refers to Hong Leong Investment Bank.
BARMC	refers to the Bank's Board Audit and Risk Management Committee.
Board	refers to the Bank's Board of Directors.
bribery	refers to the act of corruptly authorising, giving, agreeing to give, promising, offering, soliciting, receiving, or agreeing to receive any gratification.
MACC or **Commission**	means the Malaysian Anti-Corruption Commission.
corruption	means an act of giving or receiving of any gratification or reward in the form of cash or in kind of high value for performing task in relation to his or her job description.
gratification	(a) 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; (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity; (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage; (e) any forbearance to demand any money or money's worth or valuable thing;

(f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and

(g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

MACC Act 2009	means the Malaysian Anti-Corruption Commission Act 2009.
Personnel	has the meaning set out in paragraph 2.1
Procedures or **SOP**	means Standard Operating Procedures
Public Body/Bodies	means any: (a) federal or state governments, (b) local authority, (c) statutory authority, department, service or undertaking of a federal or state government, or local authority.
Public Official	means any person who is a member, an officer, an employee or a servant of a Public Body, and includes a member of the administration, a member of Parliament, a member of the State Legislative Assembly, a court judge or registrar, and where the Public Body is a corporation sole, includes the person who is incorporated as such.
Senior Management	Refers to Group Managing Director/Chief Executive Officer and Senior Officers of the Bank.
Senior Officers	refers to person(s) performing Senior Management function which is defined in paragraph 5.2 of the BNM's Policy Document on Fit and Proper Criteria and are reflected in the approved List of Senior Officers prepared by Human Resources and Corporate Services Department.