
HONG LEONG INVESTMENT BANK BERHAD
ANTI-BRIBERY AND CORRUPTION POLICY (“ABC POLICY”)

1 Introduction

The Bank has established an ABC Policy which sets out a strong ‘tone from the top’ against all corrupt practices, and includes the framework for implementation, and the responsibilities of the Associated Person in regards to observing and upholding the Bank’s zero-tolerance position on corruption and bribery.

The ABC Policy make references to the Bank’s Code of Conduct and Ethics, Gifts and Entertainment Procedures, Donation & Sponsorship Policy, Procurement/Tender Policy and Whistleblowing Policy, and they are summarised as below.

2 Scope

The ABC Policy applies to all directors, staff (whether temporary, fixed-term, or permanent), trainees, seconded staff, casual workers, agency staff, volunteers, interns, agents, of the Bank including its subsidiaries and branches.

The Bank also expects its partners, contractors, sub-contractors, consultants, representatives and others performing work or services for or on behalf of the Bank, or any other person associated with the Bank to comply with the ABC Policy when performing such work or services.

3 Definitions

“**Associated Person**” means all directors, staff (whether temporary, fixed-term, or permanent), trainees, seconded staff, casual workers, agency staff, volunteers, interns, and agents of the Bank, and partners, contractors, sub-contractors, vendors, suppliers, service providers, consultants, representatives and all others performing work or services for and/or on behalf of the Bank.

“**Bribery**” refers to the act of corruptly authorising, giving, agreeing to give, promising, offering, soliciting, receiving, or agreeing to receive any gratification.

“**Bank**” means Hong Leong Investment Bank Berhad.

“**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/her job description.

“**Gratification**” means:

- (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);

4 Policy Statement

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

The Bank is committed to acting professionally, fairly, and with integrity in all its business dealings and relationships and is committed to implementing and enforcing systems that ensure corruption and bribery is prevented.

In particular, the Board of Directors and Senior Management of the Bank does not condone or consent to any Associated Person:

- (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, including with intent to obtain or retain business or any advantage in the conduct of business for the Bank.

The Bank will uphold all laws and regulatory requirements in all the jurisdictions in which it operates, including those relating to anti-bribery and corruption.

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

5 Gifts and Entertainment

All staff shall exercise good judgment and ensure that the acceptance of the gift or entertainment will not result in a conflict of interest.

All staff are strictly prohibited from accepting or offering the following types of gifts and entertainment:

- (a) any form of gifts and/or entertainment which is, or which appears to be inappropriate or excessive, taking into account all relevant facts and circumstances;
- (b) any form of gifts and/or entertainment in exchange for an act by the Bank or an act for the benefit of the Bank; and
- (c) any other forms of gifts and/or entertainment for purposes which are prohibited under the laws of Malaysia, eg. bribery and corruption.

Without prejudice to the above, all staff must promptly declare any gift or entertainment which they give or receive.

Gifts or entertainment received that are not approved must be returned or refunded back to the person who provided the said gift or entertainment.

6 Donation and Sponsorship

All donations and sponsorships undertaken by the Bank which are charitable in nature (“Donations”) shall be governed by the Bank’s Donation and Sponsorship Policy which provides, *inter alia*:

- (a) No political Donations are permitted.
- (b) Due diligence must be conducted on recipients of Donations to ascertain that they are of reputable standing.
- (c) All Donation requests must be reviewed by the Bank’s Finance department.

7 Facilitation Payments

The Bank shall not make facilitation payments.

8 Responsibilities and Commitments

(i) **Bank’s Board of Directors and its respective committees**

- Provide oversight for maintaining highest level of corporate integrity and ethics, compliance with applicable laws and regulatory requirements on anti-corruption;
- Manage key corruption risks and whistleblowing cases of the Bank; and
- Receive and review reports on the implementation of the ABC Policy.

(ii) **Bank’s Senior Management**

- Ensure high level of integrity and ethics and full compliance with all applicable laws and regulatory requirements on anti-corruption;
- Effectively manage corruption risks of the Bank;
- Ensure adequate and clear policies, procedures and control systems are in place to minimise and mitigate opportunities for corrupt practices in the Bank and to respond to suspected or confirmed corruption incidences in the Bank;
- Encourage use of whistleblowing and other appropriate channels in relation to any suspected or real corruption incidences;
- Develop a communication plan and training program based on the Bank’s policies and commitments towards anti-corruption for relevant internal and external parties;
- Act upon and report to the Board the results of any audit, reviews of risk assessment, control measures and performance in relation to the anti-corruption compliance program.

(iii) **Bank’s Compliance Department**

Attend to all anti-corruption compliance matters including provision of advice and guidance to personnel and business associates in relation to the anti-corruption program, as well as the coordination and monitoring of the implementation of the ABC Policy, taking into consideration the Bank’s risk assessment in relation to corruption.

(iv) **Associated Person**

- Observe and uphold the Bank’s zero-tolerance position on corruption and bribery;
- Observe the ABC Policy;
- Raise concerns about improper conduct or wrongful act at the earliest opportunity through various communication channels including as set out in the Bank’s Whistleblowing Policy.

9 Risk Assessment

The Bank shall undertake a corruption risk assessment at least once in three (3) years and as and when necessary (including when there is a change in law or circumstances of the Bank’s business) to identify, analyse, assess and prioritise the internal and external corruption risks of the Bank.

The Bank's Senior Management shall review the Bank's risk assessment report and consider improvements on applicable policies and procedures in combating corruption. The risk assessment report be presented to the Bank's Board for review.

10 Due Diligence

To ensure that Associated Persons share the Bank's stance against corruption, the Bank shall undertake due diligence to assess the integrity of the Associated Person, prior to entering into any formalised relationship with them and periodically thereafter.

11 Conflict of Interest

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 identification, prevention and management of the conflict of interest.

All Associated Persons shall declare any personal interest he/she or persons connected to the Associated Person may have in any Bank's decision or matter he/she is involved in.

12 Reporting Channel and Whistleblowing Policy

Internal and external parties are encouraged to raise concerns in relation to real or suspected corruption incidents or inadequacies of the Bank's anti-corruption program at the earliest opportunity.

Please refer to the Bank's Whistleblowing Policy published at <https://www.hlib.com.my/> and <https://www.hlebroking.com/v3/> for details on how such concerns may be raised.

The Bank's Whistleblowing Policy protects the identity of the whistleblower, as well as protects the whistleblower from retaliation and adverse employment action, provided the disclosure was made in good faith and to the extent permitted by law.

Where relevant, the Bank shall report details of the corruption incidents to the Malaysian Anti-Corruption Commission or other law enforcement agencies and authorities.

13 Other Control Measures

- (a) Financial Controls – all expenses and claims shall be governed by the Bank's payment approval authority limit and/or expenditure approval request policy and procedures;
- (b) Procurement – all procurement activities shall be governed by the Bank's procurement/tender policy and procedures; and
- (c) Record Keeping – the Bank shall establish policies and procedures with regard to record keeping and document management.

14 Review, Monitoring and Enforcement

(i) Review

Internal audit shall review the Bank's anti-corruption program and measures to assess its compliance, performance, efficiency and effectiveness. The audit report shall be presented by internal audit to the Bank's Board for review.

(ii) *Monitor*

All Heads of Departments shall monitor the performance of their personnel in relation to this Policy and report any non-compliance. The non-compliance report shall be presented by Compliance Department to the Board for review.

(iii) *Enforcement*

The Bank shall take such disciplinary action as appropriate against personnel found to be non-compliant with the ABC Policy.

When a weakness or gap is detected during a breach, a process review exercise, or where there is new development in the industry, laws, or regulations, improvements on the Bank's policies and procedures shall be considered.

15 Training and Communication

The Bank shall develop and implement a training program and a communication plan on its policies and commitments on anti-corruption for relevant parties.