

**HONG LEONG CAPITAL BERHAD
GROUP 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 Capital Berhad (“**HLCB**”) and its subsidiaries (collectively, including their subsidiaries, the “**Group**”) in relation to observing and upholding the Group’s zero-tolerance position on corruption and bribery with reference to the Malaysian Anti-Corruption 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 Group 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, interns, agents, of the Group (including its subsidiaries and branches).
- 2.2. The Group also expects partners, contractors, subcontractors, vendors, suppliers, service providers, consultants, agents, representatives and other person performing work or services for or on behalf of the Group, or any other person or persons associated with the Group (collectively “**Associated Persons**”), to comply with this Policy when performing such work or services.

- 2.3. Overview of the scope of application:

Hong Leong Capital Berhad (“HLCB”)	Subsidiaries of HLCB
Fully applicable at HLCB entity level.	<p>Principles aligned</p> <ul style="list-style-type: none"> • Each subsidiary shall have their own Anti-Bribery and Corruption Policy. • While it is not expected to be identical to this Policy, the principles should be aligned and be consistent with this Policy. • Each subsidiary is ultimately responsible to manage its own anti-bribery and corruption (“ABC”) risk in line with the guidance from this Policy.

- 2.4. Joint venture companies in which a Company is a non-controlling shareholder and associated companies are encouraged to adopt similar principles and standards.

- 2.5. This Policy must be read in conjunction with the following policies and procedures of the Company:
- (i) Malaysian Anti-Corruption Commission Act 2009;
 - (ii) Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2009;
 - (iii) Whistleblower Protection Act 2010;
 - (iv) Compliance Policy;
 - (v) Code of Conduct & Ethics
 - (vi) Donation and Sponsorship Policy;
 - (vii) Capital Expenditure Request Policy;
 - (viii) Gifts and Entertainment SOP;
 - (ix) Procurement Management Policy;
 - (x) Tender Management Policy;
 - (xi) Referral Fee and Rebate Policy;
 - (xii) Whistleblowing Policy and SOP;
 - (xiii) Policy and SOP related to disciplinary matters; and
 - (xiv) any other policies or procedures in relation to anti-bribery and corruption.

3. POLICY STATEMENT

- 3.1. The Group has a zero-tolerance position for bribery and corrupt activities.
- 3.2. The Group 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 corruption and bribery.
- 3.3. The Group, its Board of Directors ("**Board**") and Senior Management do not condone or consent to any employee, 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 Company; or
 - (ii) obtaining or retaining any advantage in the conduct of business for or affairs of the Company 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 Company.

The Group will uphold all laws and regulatory requirements relating to ABC in all the jurisdictions in which it operates.

- 3.4. The Group treats any violation of this Policy seriously and will undertake necessary action, including, but not limited to, review of employment or appointment, disciplinary action, dismissal, and reporting to the authorities, consistent with the relevant laws and regulations.
- 3.5. Each subsidiary Company shall provide to HLFG's Chief Compliance Officer, reports and information in relation to its implementation of the requirements of this Policy including the Company's ABC Program and information on bribery and corruption incidences in the Company.

4. PRINCIPLES

4.1. PRINCIPLE I : TOP LEVEL COMMITMENT

4.1.1. Company'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 anti-bribery and corruption; and
 - (iii) managing the key bribery and corruption risks of the Company;
- (b) approve this Policy;
- (c) endorse the ABC program;
- (d) receive and review reports on the implementation of this Policy and the effectiveness of the ABC Program; and
- (e) manage whistleblowing cases.

4.1.2. Senior Management

The Senior Management of each Company shall:

- (a) ensure that the Company practices the highest level of integrity and ethics;
- (b) ensure that the Company complies fully with applicable laws and regulatory requirements on anti-bribery and corruption;
- (c) effectively manage bribery and corruption risks of the Company;

4.1.3. Associated Persons

Each Associated Person shall:

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

- (b) observe this Policy; and
- (c) raise concerns about improper conduct or wrongful act at the earliest opportunity through the various communication channels including those as set out in the Whistleblowing Policy.

4.1.4 Compliance Function

The Company'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 the ABC, as well as the coordination and monitoring of the implementation of this Policy, taking into consideration the Company's risk assessment in relation to bribery and corruption.

4.1.5 ABC Program

Each Company shall establish and maintain an ABC compliance program ("**ABC Program**") with the objective of minimising and mitigating opportunities for bribery and corruption in the Company and to address bribery and corruption risks in the Company.

The ABC Program 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 Company's policies and commitment on ABC for internal and external parties.

The ABC Program 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 Program.

4.2. PRINCIPLE II: RISK ASSESSMENT

- 4.2.1. Each Company shall undertake a comprehensive ABC risk assessment of the Company at least once in two (2) years and as and when necessary, including when there is a change in law or circumstance of the Company's business, to identify, analyse, assess and prioritise the internal and external bribery and corruption risks of the Company. ABC risks assessment shall be conducted annually in public listed company.
- 4.2.2. The Company's ABC risk assessment report shall be presented to the Company's BARMC and/or Board for review.

4.3. PRINCIPLE III: UNDERTAKE CONTROL MEASURES

The following control measures shall be implemented by each Company:

4.3.1. Due Diligence

- (a) Each Company shall undertake due diligence to assess the integrity of directors, employees 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.

4.3.2. The departments in the Company responsible for conducting the relevant due diligence are as follows:

Associated Person	Department Responsible
Board members	Secretarial Department
Employees	Human Resources Department
Agents (eg. Unit Trust, Stockbroking)	Agency / Functional department
Contractors, Suppliers, Service Providers	Functional department
Consultants, Brokers, Professional Firms (eg. Audit, Investment Banks, Lawyers)	Functional department

4.3.3. 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 Group's ABC Program at the earliest opportunity, through the Company'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 Company's [Whistleblowing Policy](#) and Compliance Policy (for employees) for details on how such concerns may be raised.
- (c) Where relevant, the Company shall report the details of the bribery and corruption incidents to the Commission or relevant law enforcement agency.

4.3.4. Conflict of Interest

- (a) A conflict of interest is a situation in which a person or organisation is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another.
- (b) The Group seeks to ensure that a conflict of interest does not adversely affect the interests of the Group, its shareholders, clients and other stakeholders through the identification, prevention and management of the conflict of interest.
- (c) Each Company'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) Associated Persons shall declare any personal interest he/she or persons connected to the Associated Person may have in any Company decision/matter/transaction that he/she is involved in.

4.3.5. Policies and Procedures

Below sets out the Company'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 Company's Code of Conduct & Ethics and Gifts and Entertainment Procedures.

Directors should refrain from 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 Company 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 accept or offer the following gifts and/or entertainment:

- (i) Any amount of cash or cash;
- (ii) Any other forms of gifts and/or entertainment, in exchange for an act or forbearance by the Company or an act or forbearance for the benefit of the Company; and
- (iii) Any gifts and/or entertainment for purposes which are prohibited under the laws of Malaysia.

Subject to the above prohibition, all employees must promptly declare or obtain approval (as required under the Company's Gift and Entertainment Procedures) for any gift or entertainment of an estimated value above RM100 which they give or receive from external parties. Gifts or entertainment received that are not approved by the relevant approving authority in the Company

must be returned to the person who provided the said gift or entertainment, or shall be donated to a charitable organisation approved by the Company.

- (b) **Donations and Sponsorship:** Donations and sponsorships shall be governed by the Company's Donation and Sponsorship Policy which provides that:
 - (i) no political donations are permitted;
 - (ii) due diligence must be conducted on recipients of donations by the Company to ascertain that they are of reputable standing; and
 - (iii) all donation requests must be reviewed and approved as per the 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 Company 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 Company's payment approval authority limit and/or Finance Department's policy and procedures.
- (e) **Procurement:** Procurement activities shall be governed by the Company's procurement / tender policy and procedures 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 Company'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 Company's Gift and Entertainment Procedures as summarised in paragraph 4.3.5 (a); and
- (ii) save for corporate gifts and subject to the thresholds and corresponding approving authority in the Company's Gift and Entertainment Procedures, offering or giving of gifts to Public Officials is prohibited.

4.3.6. Record Keeping

Each Company 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 a minimum period of seven (7) years. This includes:-

- (a) financial records and documentation trial which evidence, substantiate and justify the business reasons for any payments made and receipt of payments by the Company;
- (b) reports and written records of the amount and reason for gifts and entertainment received and given;
- (c) donations and sponsorships;
- (d) reports and information received pursuant to whistleblowing report; and
- (e) approvals 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

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

4.4.1. Review

- (a) Internal audit shall review the Company's ABC Program 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 Company's Senior Management shall review the audit report and consider improvements on the Company's policies and procedures in relation to bribery and corruption.
- (c) The audit report shall be presented by internal audit to the Company's BARMC and/or Board for review.

4.4.2. Monitor, Review and Reporting

- (a) The Company's Heads of Departments shall monitor the performance of their personnel in relation to this Policy and report non-compliances to the Company'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 corruption and bribery risk faced by the Company;
 - (ii) where necessary, propose continual improvement measures and opportunities; and
 - (iii) report to the Company's Senior Management and the Board on the implementation and adequacy of Policy requirements in the Company, 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 Company's bribery and corruption risks.

4.4.3. Enforcement

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

4.5. PRINCIPLE V: TRAINING AND COMMUNICATION

4.5.1. Communication

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

4.5.2. Training

The Company shall develop and implement a training program on Company'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 Program	Company's ABC compliance program
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
BARMC	refers to a Company's Board Audit and Risk Management Committee
Board	refers to the board of directors of a Company
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
Company	means each company in the Group
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).

Group	means Hong Leong Capital and all its subsidiaries, including subsidiaries directly or indirectly controlled by each of them or their subsidiaries
HLCB	Hong Leong Capital Berhad
MACC Act 2009	means the Malaysian Anti-Corruption Commission Act 2009
Senior Management	means person(s) performing senior management function determined by each Company