

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 Asset Management Bhd (“**HLAM**” or “the Company”) in relation to observing and upholding the Company’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 Company 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 Company. The Company also expects partners, contractors, subcontractors, vendors, suppliers, service providers, consultants, representatives and others performing work or services for or on behalf of the Company, or any other person or persons associated with the Company (collectively, (“**Associated Persons**”), to comply with this Policy when performing such work or services.
- 2.2. This Policy should be read in conjunction with other relevant HLAM’s Policies and SOPs including laws, regulations and guidelines issued by regulatory bodies such as, but not limited to:
 - Malaysian Anti-Corruption Commission Act 2009;
 - MACC’s Guidelines on Adequate Procedures;
 - Whistleblower Protection Act 2010;
 - HLAM’s Compliance Policies;
 - HLAM’s Code of Conduct & Ethics;
 - HLAM’s Donation and Sponsorship Policy;
 - HLAM’s Finance Policy;
 - HLAM’s Gifts and Entertainment SOP;
 - HLAM’s Whistleblowing Policy and SOP;
 - Policies and SOP relating to disciplinary matters;
 - 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 HLAM or Hong Leong Group (where relevant to HLAM) from time to time.

3. POLICY STATEMENT

- 3.1. The Company has a zero-tolerance position for bribery and corrupt activities.
- 3.2. The Company is committed to acting professionally, fairly, and with integrity in all our business

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dealings and relationships and is committed to implementing and enforcing systems to prevent the occurrence of corruption and bribery.

- 3.3. The Company, 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, including with intent:
 - (i) to obtain or retain business for the Company; or
 - (ii) to obtain or retain any advantage in the conduct of business for the Company.

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

- 3.4. The Company 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.

4. PRINCIPLES

4.1. PRINCIPLE I : TOP LEVEL COMMITMENT

4.1.1. HLAM’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-corruption; and
 - (iii) managing the key corruption risks of the Company;
- (b) approve this Policy;
- (c) receive and review reports on the implementation of this Policy; and
- (d) manage whistleblowing cases.

4.1.2. Senior Management

The Senior Management of HLAM 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-corruption;
- (c) effectively manage corruption risks of the Company;
- (d) establish the “tone from the top” (i.e. the Company’s general stance against bribery and corrupt practices in relation to its business activities);
- (e) ensure that adequate and clear ABC policies, procedures and control systems are in place;
- (f) take steps to minimise opportunities for corruption in the Company and to monitor, periodically review and improve upon the effectiveness of the Company’s ABC compliance program (“**ABC Program**”) including internal control system, training and communication;

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- (g) promote a culture of integrity within the Company;
- (h) communicate plan and a training on the Company's policies and commitments on anti-corruption for relevant relevant parties;
- (i) encourage the use of whistleblowing and other appropriate channels in relation to any suspected or real corruption incidences or inadequacies in the ABC Program;
- (j) adequately resource the Compliance Department for the purpose of attending to all ABC compliance matters including the provision of advice and guidance to personnel and business associates in relation to the ABC Program. The responsibility to ensure compliance with the ABC policies and procedures, however, lies with the respective business/functional units;
- (k) ensure that lines of authority for personnel tasked with responsibility for overseeing the implementation of the ABC Program are appropriate; and
- (l) act upon and report to the Board the results of any audit, reviews of risk assessment, control measures and performance in relation to the ABC Program.

4.1.3. Associated Persons

Each Associated Person shall:

- (a) observe and uphold the Company'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, and in an appropriate way through the various communication channels including those as set out in the Whistleblowing Policy and Compliance 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 corruption.

4.2. PRINCIPLE II: RISK ASSESSMENT

4.2.1. The Company shall undertake a comprehensive ABC risk assessment of the Company at least once in three (3) 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 corruption risks of the Company.

4.2.2. The Company's ABC risk assessment report shall be presented to the Company's Board for review.

4.3. PRINCIPLE III: UNDERTAKE CONTROL MEASURES

The following control measures shall be implemented by the Company:

4.3.1. Due Diligence

- (a) The Company shall undertake due diligence to assess the integrity of Associated Persons, which shall include background checks, document verification or conducting interviews, prior to

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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 HLAM responsible for conducting the relevant due diligence are as follows:

Associated Person	Department Responsible
Board members	Company Secretary
Employees	Human Resources Department
Agents (Marketing Representatives)	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 corruption incidents or inadequacies of the Company’s ABC Program at the earliest opportunity, and in an appropriate way.
- (b) Please refer to HLAM’s Whistleblowing Policy for details on how such concerns may be raised.
- (c) Where relevant, HLAM shall report the details of the corruption incidents to the Commission or police officer.

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 Company seeks to ensure that a conflict of interest does not adversely affect the interests of the Company, its shareholders, clients and other stakeholders through the identification, prevention and management of the conflict of interest.
- (c) All Heads of Departments shall:
 - (i) actively seek to identify and mitigate conflict 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 HLAM’s decision/matter he/she is involved in.

4.3.5. Policies and Procedures

HLAM shall establish, maintain and make available policies and procedures to cover the following:

- (a) **Gifts and Entertainment:** The receipt and giving of gifts and entertainment shall be governed by

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

Employees are prohibited to accept or offer the following gifts and entertainment:

- (i) Any amount of cash or cash equivalent as a form of a monetary gift (e.g. angpows, gift cards, vouchers);
- (ii) Any other forms of gifts and/or entertainment, in exchange for an act by the Company or an act for the benefit of the Company; and
- (iii) Any other forms of gifts and/or entertainment for purposes which are prohibited under the laws of Malaysia, e.g. in relation to bribery and corruption.

In addition to the above, all employees must promptly declare any gift or entertainment above RM100 which they give or receive. 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) Donation and Sponsorship Policy:** Donations and sponsorships shall be governed by the Company's Donation Policy which provides that:
 - (i) no political donations are permitted;
 - (ii) due diligence must be conducted on recipients of donations to ascertain that they are of reputable standing;
 - (iii) donations made to a connected party should commensurate with the circumstances and qualifications of the recipients, on similar terms as it would be to an arms-length recipient; and
 - (iv) all donation requests must be reviewed and approved as per the Donation Policy.
- (c) Facilitation Payments:** The Company shall not make facilitation payments. Facilitation payment is payment made to unlawfully secure or expedite the performance of an action or a service that the Company is entitled to.
- (d) Financial Controls:** All expenses and claims shall be governed by the Company's payment approval authority limit and/or expenditure approval request policy and procedures.
- (e) Procurement:** Procurement activities shall be governed by the Company's procurement/ tender policy and procedures.

4.3.6. Record Keeping

HLAM shall establish policies and procedures with regard to record-keeping for managing documentation related to the AP.

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 HLAM's ABC Program.

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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 Senior Management shall review the audit report and consider improvements on HLAM's policies and procedures in relation to corruption.
- (c) The audit report shall be presented by internal audit to the Company's Board for review.

4.4.2. Monitor

Heads of Departments shall monitor the performance of their personnel in relation to this Policy and report non-compliance to the Company's Senior Management and the Head of Compliance.

4.4.3. Enforcement

HLAM shall take such disciplinary action and/or appropriate action, including legal action, as appropriate against personnel or Associated Persons found to be non-compliant with this Policy.

4.5. PRINCIPLE V: TRAINING AND COMMUNICATION**4.5.1. Communication**

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

4.5.2. Training

HLAM shall develop and implement a training program on the 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	HLAM'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.
The Company	refers to Hong Leong Asset Management Bhd.
bribery	refers to the act of corruptly authorising, giving, agreeing to give, promising, offering, soliciting, receiving, or agreeing to receive any gratification.
Commission	means the Malaysian Anti-Corruption Commission.

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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	<ul style="list-style-type: none">(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).
HLAM	Hong Leong Asset Management Bhd.
Facilitation Payment	means payment made to secure or expedite the performance of an action or a service that HLAM is entitled to, eg. where a government official is given money or goods to perform (or speed up the performance of) an existing duty.
MACC Act 2009	means the Malaysian Anti-Corruption Commission Act 2009.
Senior Management	means the Chief Executive Officer/Executive Director