

ANTI-BRIBERY AND CORRUPTION POLICY

COMPLIANCE DEPARTMENT

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All employees shall comply with the Group's policies, international practices and the laws and regulations of the place of operation. Compliance should be the prerequisite of business development. The Group's policies shall not be relaxed because of regulatory differences, and the compliance standards shall not be changed because of business interest

ANTI-BRIBERY AND CORRUPTION POLICY

1. Introduction

- 1.1. The Bank of China Group strongly emphasized the development of corporate culture and sets a series of values to achieve the strategic goal to “Build a World-class Bank in the New Era”. These values include the promotion of strong corporate culture of integrity and high ethical standard.
- 1.2. With the above backdrop, this Anti-Bribery and Corruption Policy (collectively refer to as “The Policy”) has been developed with reference made to MACC (Amendment) Act 2018¹, “Guidelines on Adequate Procedures” issued by Prime Minister Department and BOCHK Group’s Anti-Bribery and Corruption Policy (collectively refer to as “ABAC”) to ensure that Bank of China Malaysia (collectively refer to as “the Bank”) and its subsidiaries comply with relevant laws and regulation and meeting the expectation of BOCHK. If there is any discrepancy between the Policy and ABAC, the more stringent requirement shall prevail.

2. Scope of Policy

- 2.1. This policy shall apply to the Bank’s Departments, branches, subsidiaries, senior management, board of directors, staffs, contractors, vendors and other performing work or services for or on behalf of the Bank.
- 2.2. This Policy shall be read and applied conjunction with all relevant aspects of the law and banking practices in mind.
- 2.3. Where any conflict exists between this Policy and relevant laws and regulations, such laws and regulations by the local supervisory authorities shall prevail.

3. Objective of Policy

- 3.1. Define the responsibility of the Bank and its employees in upholding their stances against bribery and corruption.
- 3.2. Upholding anti-bribery principles in all business dealing and interactions with external parties, including vendor, contractor, business partner and other performing work or services for or on behalf of the Bank.
- 3.3. Describe the Bank’s ABC framework, including the ABC policy requirements on employees’ conduct, reporting mechanism of bribery and corruption activities and principles of taking disciplinary actions.
- 3.4. Promote a culture of integrity, honesty and openness among the Bank’s employee.

4. Bank’s Commitment

- 4.1. The Bank is committed to being in full compliance with the laws and regulations issued by the regulators and authorities and maintain the highest ethical standards and highest level of integrity in conducting its business and operation.
- 4.2. The Bank’s stance that will not tolerate to any form of bribery or corruption. It is the strict expectation that no person shall undertaking business on behalf of, or acting for the Bank in any matter shall pay a bribe for any

¹For the avoidance of doubt, MACC Act 2009 is a Malaysian Law which commenced on 8 January 2009 with the intent to make further and better provision for prevention of bribery and corruption. MACC Act 2009 was amended to MACC (Amendment) Act 2018 in year 2018 to introduce corporate liability for corruption offences. The aim of this provision is to foster the growth of a business environment that is free from corruption and encourage all commercial organisations to take the reasonable and proportionate measures to ensure their business do not participate in any bribery and corruption activities.

matter whatsoever. Any breaches shall result in disciplinary action being taken by the Bank against any party, including but not limited to dismissal or prohibition from doing business with the Bank.

- 4.3. Any person or party undertaking business with or for the Bank shall at all time act in a manner that is fair and impartial, open and transparent, and must strictly comply with all laws and regulations. Employee that refuses to pay bribes or participate in any acts of corruption will not be penalised even if such refusal result in losing business

5. General Definition

5.1. Bribery

- Bribery means the offering, promising, giving, accepting or soliciting of an advantage or gratification as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards, offers of employment or other advantages (taxes, services, donation, favours etc.). There is no minimum amount or threshold for gratification to be considered as a bribe. It does not matter if the transaction is incomplete or the desired outcome is not achieved

5.2. Corruption

- Corruption defined as the abuse of entrusted power for personal and/or private gain

5.3. Gratification/ Advantage

- Gratification/Advantage defined as any gift, loan, fee, reward, commission, service, employment or promise of any of the above

5.4. Conflicts of Interest

- Conflicts of Interest means when a person's own interests either influence, potentially influences or has the possibility to influence their decision making at or for the Bank

5.5. Facilitation Payment

- Facilitation Payment defined as a payment that made to speed up (or queue jump) the process of a task which is within a person's normal range of authority activities.

6. The Bank's Stance on Gift & Hospitality, Donation, and Sponsorship

6.1. Gift & Hospitality

- The Bank does not prohibit normal business/ corporate hospitality if the following conditions are met:
 - a. It is not done with the intention of expectation of any specific favour or advantage from the recipients.
 - b. It does not include cash or a cash equivalent.
 - c. Reasonable and proportionate given its purpose.
 - d. It is given openly and in transparent manner.
 - e. No any corrupt / criminal intention.
- Some examples of acceptable gift and benefit as follows:-
 - a. Token gift.
 - b. Gift presented at work related conferences, seminar and/or business events.
 - c. Gift given in gratitude for hosting business events, conferences and/or seminars.
 - d. Refreshments or meals during meetings or participate of work-related conferences and/or seminar.
 - e. Meals for business purposes.
 - f. Gift given to reflect esteem or gratitude during festive.

- Other types of gifts should not be provided or received unless employee obtains the express consent from the Compliance Department.
- Employee is required to obtain an upfront approval for any gift or entertainment expenses to ensure the appropriateness and context of the expenses.

6.2. Donation and Sponsorship

- Charitable support and donations are accepted whether in kind of services, knowledge, time or direct financial contributions
- Any charitable contribution or sponsorship made or offered on behalf of the Bank must:
 - a. Not be related to, dependent on, or made in order to win or influence a business deal or decision.
 - b. Not directly or indirectly related to politics.
 - c. Given directly to the relevant charity or organization and not to an individual.
 - d. Obtained prior approval from the Bank's CEO.
 - e. Conduct due diligence check on the recipient to ensure the donations or sponsorship was expenses or accounted for in an appropriate manner.

7. Hiring and workforce appointment/removal

- 7.1. The Bank is prohibited to use internships, employment or promotion opportunities in exchange for any business advantage for the Bank.
- 7.2. Workforce appointment and removal decisions should be made according to the principles of fairness, impartiality, merit-based and take into considerations of the candidates' qualification (such as academic background, professional qualifications, relevant experience, competency and job requirements).

8. Third Parties and Agencies Requirement

- 8.1. All third parties, including agents, suppliers, vendors, contractors and other performing work or services for or on behalf of the Bank should be made aware of this Policy and the arrangements with them shall be subject to clear contractual terms, including specific provision requiring them to comply with the Bank's Anti-Bribery and Corruption standard and procedures.

9. Reporting of Bribery and Corruption

- 9.1. The Bank has provided an avenue for all employees, directors, shareholders, customers, consultants, vendors, contractors, agencies, and any parties with a business relationship with the bank to disclose any bribery and corruption acts via Whistleblowing Channels stated as below: -
 - Writing in to BOCM Head of Internal Audit at Ground, Mezzanine & 1st Floor, Plaza OSK, 25, Jalan Ampang, 50450 Kuala Lumpur; or
 - Email to whistleblowing_kl@bankofchina.com.my
- 9.2. Alternatively, the Bank's employees and any party with business relationship with the Bank may consider the option to disclose any bribery and corruption activity to the regulator or law enforcement agency.
- 9.3. The Bank prohibits any retaliation against any individual who, acting in good faith, makes a disclosure about alleged corrupt activities involving the Bank.