

**UOB Kay Hian  
Securities (M) Sdn Bhd**

**Anti-Bribery and Corruption Policy  
and Procedures**

**Effective Date: 22 November 2019**

## 1. Introduction

UOB Kay Hian Securities (M) Sdn. Bhd. (“UOBKH”), and its subsidiaries, has adopted a zero tolerance policy against all forms of bribery and corruption. UOBKH is committed to conducting business with transparency, integrity and compliance with regulatory requirements as well as good corporate governance practices. This Anti-Bribery and Corruption Policy (“ABC Policy”) has been formulated to sets out the relevant principles for appropriate business conduct and guidelines for all business transactions that UOBKH undertakes.

UOBKH shall continuously monitor the legal and regulatory regimes to update this policy as and when required.

### 1.1. Objective & Scope

- 1.1.1. This ABC Policy sets out UOBKH’s overall position on bribery and corruption in all its forms.
- 1.1.2. UOBKH, and its subsidiaries, is committed to conduct its business ethically and in compliance with all applicable laws and regulations in the countries where it does business in. These laws include, but not limited to, the Malaysian Anti-Corruption Commission Act 2009 (“MACC”), the Malaysian Penal Code (revised 1977), Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and relevant securities laws. These laws prohibit bribery and acts of corruption, and mandate that companies establish and maintain accurate books and records and sufficient internal controls. In cases where there is a conflict between mandatory laws and the principles contained in this and other policies, the law shall prevail.
- 1.1.3. This ABC Policy elaborate upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. Full compliance to both the spirit and the letter of this Policy is mandatory and should be maintained using a principle-based approach.
- 1.1.4. This ABC Policy is applicable all employee of UOBKH and its Board of Directors.
- 1.1.5. Although the ABC Policy is specifically written for UOBKH’s employees and directors, UOBKH expects that representatives, agents, contractors, sub-contractors, consultants and any others who performing work or services for or on behalf of UOBKH will comply with it in relevant part when performing such work or services.
- 1.1.6. This policy is available on UOBKH’s website.

### 1.2. Definitions

“**Audit Committee**” means the Audit Committee of the Board of Directors of UOBKH “agent” means any person employed by or acting for another, and includes an officer of a public body or an officer serving in or under any public body, a trustee, an administrator or executor of the estate of a deceased person, a subcontractor, and any person employed by or acting for such trustee, administrator or executor, or subcontractor;

**“Business Associate”** means an external party with whom UOBKH has, or plans to establish, some form of business relationship. This may include, but not limited to, clients, agents, representatives, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, advisers, distributors, and intermediaries.

**“Corporate Gift”** means something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the Company’s brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the Company name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads and plaques

**“Customary Gift”** means gifts that are given or receive in conjunction with a customary celebration or festive seasons, ie. Hari Raya Aidilfitri, Chinese New Year. Examples of customary gifts include items such as confectioneries, hampers, “ang pow packets”

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 favor 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);

**“Government-Linked Investment Companies (GLIC)”** means the 7 entities defined by the Ministry of Finance Malaysia (“MOF”); Minister of Finance (Incorporated) [MOF (Inc.)], Khazanah Nasional Berhad (Khazanah), Employees Provident Fund (EPF), Lembaga Tabung Haji (LTH), Armed Forces Fund Board, Retirement Fund (Incorporated), Permodalan Nasional Berhad (PNB); and any other entities that may be specified by MOF from time to time.

**“Hospitality”** means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of

guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included.

**“Public Officer”** or officer of a public body means any person who is a servant of a public body, and includes a member of the administration, a member of Parliament, a member of a State Legislative Assembly, a judge of the High Court, Court of Appeal or Federal Court, and any person receiving any remuneration from public funds.

## **2. Anti-Bribery And Corruption Policy**

- 2.1. UOBKH does not condone any act of bribery or corruption by all its business dealings and/or transactions.
- 2.2. UOBKH’s directors, managements and employees is required to adhere to the conducts in this policy.
- 2.3. All UOBKH personnel and its business associates must not, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of UOBKH or the persons involved in the transaction.
- 2.4. Bribery and corruption may be in the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment.
- 2.5. Directors, managements and employees must not corruptly accept any gratification. Whether for benefit themselves, their families, friends or acquaintances in any form, either directly or indirectly, and must observe anti-corruption measures.
- 2.6. This ABC Policy applies equally to its business dealings with commercial (‘private sector’), Government-Linked Investment Companies (“GLIC”) and Government (‘public sector’) entities, and includes their directors, personnel, agents and other appointed representatives.
- 2.7. The perception and possible appearance of bribery or corruption is to be avoided, in particular when dealing with Government officials and/or GLIC.
- 2.8. No employee of UOBKH shall suffer demotion, penalty or any other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behavior.

## **3. Gifts, Entertainment, Hospitality and Travel**

- 3.1. UOBKH personnel are prohibited from soliciting gifts from business associates. Under no circumstances may UOBKH personnel accept gifts in the form of cash or cash equivalent, including gift certificates, loans, commissions, coupons, discounts or any other related forms.

*\*Note: - It is not the intention of the ABC Policy to govern the personal relationships of UOBKH personnel may have with parties that may incidentally be a business associate*

*of UOBKH. However, UOBKH personnel is responsible to ensure any personal relationship activities does not tantamount to an act of bribery or corruption.*

- 3.2. The only form of gift-giving permitted to business associates is a corporate gift and/or customary gifts. For any other gift that does not fall in the permitted category, approvals must be sought from Senior Management prior to any such gift presentation.
- 3.3. Any gift-giving or event of hospitality is subject to approval according to Limits of Approving Authority of UOKBH and must fulfil the these conditions:-
  - 3.3.1. They are customary, lawful and not excessive under the circumstances;
  - 3.3.2. They do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions;
  - 3.3.3. There must be no expectation of any specific favour or improper advantages from the intended recipients;
  - 3.3.4. There must not be any corrupt / criminal intent involved; and
  - 3.3.5. The giving out of the gift and hospitality must be done in an open and transparent manner.
- 3.4. Where UOBKH's personnel, in their official capacity, receives a gift which is not a corporate gift and/or customary gift, from a business associate, the gift must be reported to the Head of Department ("HOD"), or reporting line superior. The gift must be reported and recorded in the Gift and Hospitality Register (Appendix I). The HOD, or reporting line superior, may request for the gift to be returned to the provider if the HOD, or reporting line superior, deem the gift to be excessive and inappropriate.
- 3.5. In the event the HOD, or reporting line superior, approves the acceptance of the gift, he/she must also determine the treatment of the gift whether to:
  - 3.5.1. Hold it for departmental display;
  - 3.5.2. Share with other employees in the department;
  - 3.5.3. Permit it to be retained by the employee; or
  - 3.5.4. Request the staff to return it to the sender.
- 3.6. Where UOBKH's personnel, in their official capacity, receives an invitation to a hospitality event, personnel must report such invitation to their HOD, or reporting line superior. Hospitality events that are excluded from such reporting are: -
  - 3.6.1. Corporate Public events, ie. festive season open houses
  - 3.6.2. Convention or seminars that are open to the public or members of the industry
  - 3.6.3. Corporate Hosted events which are open to members of the industry.
- 3.7. UOBKH recognises the provision of modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with business associate. As such, eligible employees are allowed to expense entertain to business associate through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.
- 3.8. As with provision of modest entertainment, UOBKH recognises the acceptance of modest entertainment provided by business associate to UOBKH Personnel as a legitimate way of building business relationships. However, personnel shall exercise due care and judgment when accepting such hospitalities from business associates

to prevent allegations of impropriety or be construed as an act of bribery or corruption.

- 3.9. All gift and/or hospitality received must fulfill the conditions as stipulated in Section 3.3.
- 3.10. Each Department/Branch shall maintain a Gift and Hospitality Register for all provision and receipt of gifts and hospitality value or its estimated value as per UOBKH's internal approving authority limits.

#### **4. Marketing Sponsorship, Charitable Giving and Political Donation**

- 4.1. Any Marketing Sponsorship and Charitable Giving are permitted as guided by the UOBKH's Company Policy.
- 4.2. UOBKH strictly prohibits the giving and receiving of donations and sponsorships to influence any business decisions.
- 4.3. Any Political Donation is only permissible with Senior Management's approval.

#### **5. Recruitment and Employment**

- 5.1. UOBKH value of integrity in its personnel and business associates.
- 5.2. UOBKH's recruitment, training, performance evaluation, remuneration, recognition and promotion for all UOBKH personnel, including management, shall be designed and regularly updated to recognise integrity.
- 5.3. UOBKH's recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed.
- 5.4. This is to ensure that no element of corruption is involved in the hiring of employees.

#### **6. Third Parties and Relevant Business Associates**

- 6.1. All dealings with third parties and relevant business associates which include outsourcing service provider, suppliers, agents, consultants, introducers and etc. are required to be in compliance with this ABC Policy and all relevant laws.
- 6.2. All third parties and business associates of UOBKH must not be involve in any form of bribery and corruption acts when acting for or on its behalf of UOBKH.
- 6.3. Due diligence should also be carried out with regards to any business associates intending to act on the UOBKH's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with UOBKH.
- 6.4. UOBKH prohibits its business associates to provide personal benefits to UOBKH's personnel in return for business mandates.
- 6.5. All procurements by UOBKH must be done in accordance with UOBKH's Company Procedures on Procurement.
- 6.6. UOBKH reserves the right to terminate a third party or business associate if it is found that they are involve in act bribery or corruption.

## 7. Training

- 7.1. Business associates, who act for, or on its behalf of UOBKH, may also be required to undergo training and awareness by UOBKH.

## 8. Whistleblowing

- 8.1. Please refer to UOBKH's Company Policy on **Whistleblowing** which is available on UOBKH's website.
- 8.2. Reports made in good faith, either anonymously or otherwise, shall be evaluated and investigated in a timely manner. The identity of a Whistleblower shall be protected and kept confidential.
- 8.3. Any act of retaliation against persons making such a report in good faith is prohibited.

## 9. Audit and Compliance

- 9.1. UOBKH shall perform regular audits to ensure compliance to this policy and the anti-bribery and corruption control measures. Such audits may be conducted internally Internal Audit Department. Audit documentation should include performance improvement action plans.
- 9.2. The BOD may consider to call for an audit assessment to be conducted by a qualified external audit such as a MS ISO 37001 auditors.
- 9.3. Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the Senior Management and Audit Committee in a timely manner in accordance with the level of risk identified.
- 9.4. UOBKH views bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this policy. UOBKH's Personnel who are found to be non-compliance to this policy may face disciplinary action, up to and including termination of employment.
- 9.5. For business associates, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that UOBKH's interests and reputation have been harmed by the results on non-compliance by individuals and organisations.