

Anti-Bribery and Anti-Corruption Policy (Extract)

1. Policy Statement

The Group promotes a strong corporate culture of integrity and high ethical standard, and is committed to maintaining an operating environment with fairness, honesty and probity. The Group strongly values the ethical conduct and integrity of the employees and any third parties engaged by the Group. A zero-tolerance approach is taken towards bribery and corruption that all levels of our employees are strictly prohibited from soliciting, accepting or offering bribe or engaging in any corruption activity. The Group is obliged to uphold all relevant Anti-Bribery and Anti-Corruption (“ABAC”) laws and regulations in Hong Kong and all jurisdictions where it operates, and strives to develop a robust ABAC control framework to provide guidance to its employees, and effectively implement the ABAC Policy.

2. Scope of Application

The Policy applies to the Bank, all affiliated companies, Southeast Asian entities, all departments, Board of Directors and employees (including full-time, part-time and contract staff).

3. Definition

3.1 Corruption

Corruption refers to the abuse of official duties or power for improper or illegal purposes. It means any activity that involves the abuse of position or power for an improper personal or business gain.

3.2 Bribery

Under the *Prevention of Bribery Ordinance* (“*POBO*”) of Hong Kong, bribery means offering any advantage to a public servant or an agent (usually means employee of the Group or third party engaged by the Group) as an inducement to or reward for him/her

to improperly influence his/her function at work (including performing or abstaining from performing any act in his/her capacity). The person who offers the advantage and the public servant/agent who accepts the advantage are both guilty of an offence under Hong Kong law. There is no minimum amount or threshold for an advantage to be considered as a bribe. In addition, the act can still be deemed as bribery even if the transaction is incomplete or the desired outcome is not achieved.

3.3 Advantage

Advantage means (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description; (b) any office, employment or contract; (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; (d) any other service, or favour, 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; (e) the exercise or forbearance from the exercise of any right or any power or duty; and (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of (a), (b), (c), (d) and (e) above.

4. Management and Monitoring

The overall ABAC framework is jointly supervised by the Board of Directors, its designated committee and the senior management to ensure it is properly and adequately managed and implemented.

5. ABAC Principles and Requirements

5.1 No employee should directly or indirectly offer, promise, give, authorise, solicit, agree to receive or accept advantages from another person (including another employee of the Group):

- To improperly influence their official duty, profession or judgment; or
- To obtain an improper business advantage; or
- As inducement or rewards for any act of dishonesty, unfairness or insincerity.

5.2 While conducting business for the Group, all employees should strictly abide by the following basic ABAC principles:

- Be fair and impartial, open and transparent, and strictly comply with all laws and regulations;
- Avoid situations that may cause any actual, potential or perceived conflict of interest. If a conflict of interest is unavoidable, employees should refer to the regulations or requirements of “Code of Conduct for Staff”, “Regulations on Declaration of Staff Conflicts of Interest” and “Regulations on Avoidance in Job Duties” and report to their supervisors as soon as possible on their own initiatives and declare all relevant interests that conflict, potentially conflict or are perceived to be in conflict with their official duties.

5.3 The following activities are the key areas of ABAC to which all main/leading and participating units should pay attention and special care:

5.3.1 Acceptance or Provision of Gift and Entertainment

All units receiving or providing gifts and entertainment from/to third parties during their course of business should ensure that:

- The gifts and entertainment received or provided are not lavish, excessive, solicited or so frequent as to be considered inappropriate;
- A register is maintained to document all acceptance and provision of gifts and entertainment, of which appropriate approvals as required should be sought. The handling of gifts provided by the external parties should be in compliance with existing procedures.

5.3.2 Hiring and Workforce Appointment/Removal

- It is prohibited from using employment and promotion opportunities in exchange for any business advantage for the Group;
- Staff involving hiring activities should not have private interests with the candidates and should avoid situations which may lead to conflict of interest;
- Workforce appointment and removal decisions should be made according to the principles of fairness, impartiality, merit-based and take into considerations of the candidates’ qualifications (such as academic background, professional qualifications, relevant experience, competency and job requirements).

5.3.3 Procurement

All units involving in the procurement process should ensure:

- Due diligence is carried out before engaging any new vendor;
- The purchasing staff do not hold any private interest with the vendors;
- An ABAC and anti-collusion clause is included in any new contract, amendment or addendum;
- The number of vendors invited in tendering exercises and the approving authorities are determined based on financial limit of the purchases.

5.3.4 Credit Approval

All units involving in the credit process should ensure:

- Segregation of duties is observed for credit initiation, approval, ongoing monitoring and recovery;
- In case of any connected lending persons identified during the credit process, the credit reviewers and approvers are required to declare on their own initiatives and avoid such conflict of interest.

5.3.5 Charitable Donation

All units involving in the charitable donation process should ensure:

- It is clearly understood that charitable donation is any cash or cash-equivalent payment made to the government or non-profit making organisations for charity purpose. Political donation is strictly prohibited.
- Due diligence on the beneficiary organisation is performed prior to the approval of the charitable donation projects, such as screening for corruption information; staff involving in the evaluation or approval of charitable donation projects shall avoid situations which may lead to conflict of interest.

5.3.6 Third Party Relationship

All units seeking to establish third party relationship (including contract renewal) should ensure:

- It is clearly understood that third parties can be defined as

intermediaries/agents, agencies, contractors, consultants, suppliers, service providers, etc. outside the Group;

- Due diligence is carried out before seeking to establish third party relationship. When red flags regarding corruption are identified, the third party should not be engaged;
- In any event that the third party representatives engaged by the Group are in violation of this Policy could result in the termination of their engagements.

5.4 The Group will seriously address and deal with any employee who violates this Policy, including but not limited to dismissal or other disciplinary actions. Any violation may also constitute criminal offence, which may lead to prosecution, fine and imprisonment.

6. Control Mechanism

6.1 Regular Risk Assessment

To improve and strengthen the ABAC management framework, the Group will conduct regular ABAC risk assessment to evaluate the effectiveness of the framework and identify any potential control loophole. The assessment result and recommendation for improvement will be reported to the Board of Directors.

6.2 Reporting Bribery and Corruption

Should any employee being offered a bribe, or is suspected of being offered a bribe, or being requested to offer a bribe, or suspect an incident of such nature is about to take place, or is believed to be involved in any other form of bribery or corruption activity, or learn or has reasonable grounds to suspect that another person (e.g. customer, third party, employee of the Group, direct supervisor) is involved in any bribery and corruption activities during discharging their duties for the Group, he/she should timely report the matter via the reporting channels as stipulated in the relevant policy and procedure of the Group.

In any event that suspected corruption activity is detected, inquiries can be made through the channels specified in the relevant policy and procedure.

The Group encourages employees and any third party engaged by the Group to report any bribery and corruption event and emphasises the importance of such reports. The Group prohibits retaliation against any individual who, based on a reasonable belief that a possible bribery and corruption event had occurred, made a report or provided information either through the mentioned internal channels or externally to any regulator or law enforcement agency.

6.3 Training and Signoff

The Group provides regular training to all our Board of Directors and employees, which covers relevant ABAC laws and regulations, the policy requirements, and industry corruption case sharing. All staff members must complete all mandatory ABAC trainings on time and sign off for acknowledgement of full understanding of the materials covered.

6.4 Record Keeping

To keep proper books and records for the Group, employees should ensure no false or misleading statement are made. All payments made to any third party must be documented with a clear description of the purpose of payments. All acceptance and provision of gifts and entertainment must be properly documented.

6.5 Review and Amendment

This Policy is in effect and implemented with the approval of the Audit Committee as authorised by the Board of Directors. The Policy is subject to review and amendment on an annual basis and as required to ensure its relevance and effectiveness.