



GROUP ANTI-BRIBERY AND CORRUPTION POLICY (GABCP)

1. Introduction

This policy serves as a guide to Bank Islam Group's employees with regards to prohibition of any bribery and corruption activities. It is formulated in accordance with the provisions under the Malaysian Anti-Corruption Commission ("MACC") Act 2009, Section 17A of the MACC (Amendment) Act 2018 and other relevant laws. This policy sets out Bank Islam's zero-tolerance approach against all forms of bribery, corruption and any other non-regulatory compliance related risks.

2. Purpose

This policy is intended to ensure:

- a) that all opportunities on corruption and any action in relation to bribery, conflict of interest, malpractice, abuse of power could be effectively and efficiently addressed; and
- b) compliance with all applicable anti-corruption regulatory requirements when conducting business.

3. Applicability

This policy applies to Bank Islam Group which includes the members of Board of Directors including all Board Committees in the respective entities, Shariah Supervisory Council members, employees, business associates and all parties involved directly or indirectly in the affairs of Bank Islam Group and they are required to strictly adhere to this policy in carrying out and discharging their responsibilities. The policy also applies to members of the public, where relevant.

4. Policy Statement

- a) Bank Islam Group holds a zero-tolerance approach against all forms of bribery and corruption. All directors, employees and third parties acting on behalf of the Group should be responsible to maintain the Group's reputation by conducting the business honestly and ethically as well as observing the Group's shared value, "Act with Integrity".
- b) Bank Islam Group will not tolerate bribery, kickbacks or corruption directly or indirectly through third parties, whether or not explicitly prohibited by this policy or by laws. The Group's employees are not permitted to give or offer anything of value including gifts, hospitality, or entertainment except otherwise governed by this policy to anyone for the purpose of improperly obtaining or retaining a business or personal advantage.

5. Potential bribery and corruption exposures identified in GABCP and their control measures

Item	Potential bribery and corruption exposures in GABCP	Control Measures
a)	Conflict of Interest	<ul style="list-style-type: none"> • Pre-employment screening; • Self-declaration by employee, vendor and other stakeholders; and • Adherence to the Bank's Code of Conduct and Code of Ethics.
b)	Gift	<ul style="list-style-type: none"> • Only permissible gifts are allowed; • Acceptance of all permissible gifts must first be declared and approval from appropriate authorities must be sought prior to usage; • Limited in terms of value, frequency, customary and lawful; and • Employees are not required to declare gifts or items classified as small corporate gifts and empty festival money packets received during the festive season.
c)	Entertainment & Hospitality	<ul style="list-style-type: none"> • Entertainment or hospitality is for bona fide (good faith) business dealings or to foster better business relations. • Any entertainment and hospitality must meet the following conditions: <ol style="list-style-type: none"> i. Occasional, modest, and reasonable in value and frequency; ii. Should not be offered as a means of influencing a favourable business decision; iii. Not perceived as bribe pay-off or kickback in order to secure improper advantage; iv. Does not create perception of entitlement to any preferential treatment; and v. Complies with GHR Permissible Entertainment Claims Guideline and Group Gift Policy.
d)	Business Expenditures	<ul style="list-style-type: none"> • Business expenditures or expenses are recognised as a legitimate contribution. • The payment or reimbursement will be approved and paid by the Group for expenses incurred on the following purposes: <ol style="list-style-type: none"> i. promoting or improving the Group's image; ii. presenting Group's products effectively; and

Item	Potential bribery and corruption exposures in GABCP	Control Measures
		<p>iii. establishing cordial relations with the Group's existing retail and corporate customers.</p> <ul style="list-style-type: none"> The bribery risk lies in the expenses of what might appear to be legitimate payment to cover the cost of expenses to illicitly incentivize or reward customers for business.
e)	Dealing with Public Officials	<p>For entertainment, hospitality or payment for business expenditures to public officials, the employees shall comply with the following criteria:</p> <ul style="list-style-type: none"> not excessive and lavish; commensurate with the official designation of the public officials; not for his/her personal capacity; and recorded by the respective BU/SU.
f)	Sponsorships & Donations	<ul style="list-style-type: none"> Must be in accordance to procedures as provided in relevant internal manuals; Refuse or decline professionally if the external parties offer any sponsorships or donations (e.g. sponsoring employees activities i.e. teambuilding, annual dinner, family day, etc.); and Ensure that it is genuine and not for business related matters or dealings i.e. personal donations for charity purposes or religious events.
g)	Political Involvement and Contribution	<ul style="list-style-type: none"> Political participation/contribution must not have any connection with position in the Bank; Any personal contribution should not be for the purpose to obtain/retain business or business advantage and not intended to influence any decision in favour of the Bank; Contribution and/or expenditure using the Bank's resources for the benefit of political campaign, party or politician is not allowed; Shall not use Bank's facilities, equipment and resources for political campaign or functions.
h)	Facilitation Payments	<ul style="list-style-type: none"> Be cautious and consider the purpose of such payment and whether the payment amount is reasonable for those goods or services; Request a receipt that describes the purpose of payment; and Escalate or report it to immediate supervisor.

Item	Potential bribery and corruption exposures in GABCP	Control Measures
i)	Money Laundering	<ul style="list-style-type: none"> • Adherence to the requirements under AML/CFT Operational Guideline especially on Red Flag transactions. • Perform due diligence, i.e. Know Your Customer (KYC), Due Diligence and Enhanced Due Diligence; and • Report on suspicious transactions.
j)	Improper influence	<p>Employees must be free of any improper influence, including those that could arise from undue pressures or inducements, biasness, conflict of interest and personal, financial or other non-professional considerations. Impartiality should not be a restriction or an inconvenience.</p>
k)	Corporate agreements	<ul style="list-style-type: none"> • It is mandatory to incorporate the standard Anti-bribery and Corruption clause (ABC clause) into all agreements that the Group enters with its selected or appointed third party. • The relevant BU/SU of the Group is required to obtain approval from GCIGO/DCIO if there is a request on deviation or waiver of ABC clause by the third party. The following consideration must be taken prior to undertake such request: <ul style="list-style-type: none"> a) For local Third Party, it must have a comprehensive ABC clause of equal standards to the Group's standard ABC Clause; b) For foreign Third Party, it is governed by the relevant jurisdiction or global policies i.e. a comprehensive policy on anti-bribery and corruption with reference to either the United States of America's Foreign Corrupt Practices Act (FCPA) and/or United Kingdom's UK Bribery Act (UKBA) or any other international policies or regulations which regulates anti-bribery and corruption; or c) Where Third Party is unable to comply with the Group's requirements, IGD may exercise its discretion in making a decision relating to the matter without jeopardising the Group's interest.

6. General Criteria to decide if Gifts, Entertainment, Hospitality or Expenses are Appropriate

The following criteria may be helpful in assessing if a gift, entertainment, hospitality or expenses, is acceptable:

- a) **Bona fide:** Made for the right reason: if a gift, entertainment or hospitality, it should be given clearly as an act of appreciation, or if meal is provided then it is for a bona fide business purpose.
- b) **No obligation:** The activity will not create any obligation or expectation on the recipient.
- c) **No undue influence:** The expenditure will not be seen as intended for, or capable of, achieving undue influence in relation to a business transaction or public policy engagement.
- d) **Made openly:** It will not be performed in secret and be undocumented – if it is, then the purpose becomes questionable.
- e) **Legality:** It is compliant with relevant laws.
- f) **Accords with stakeholder perception:** The activity would not be viewed unfavourably by stakeholders were it made known to them.
- g) **Proportionate:** The value and nature of the expenditure is proportionate to the occasion. It must also be appropriate and relevant to the employees' role/ designation.
- h) **Conforms to the recipient's rules:** The gift, hospitality or reimbursement of expenses will meet the rules or code of conduct of the recipient's organisation.
- i) **Infrequent:** The giving or receiving of gifts, entertainment and hospitality is not overly frequent between the giver and the recipient.

7. Dealings with Business Associates

Due Diligence (DD) assessment* will be conducted to the relevant third party by the respective stakeholders **prior to any dealings** to review the third party's background, reputation and business capability before engaging or contracting any on-boarding the third party in particular, where there is significant exposure to bribery and corruption risk. The DD assessment will be conducted to the Group's third parties i.e vendors, contractors, consultants, agents, outsourcing providers, solicitors and valuers**.

Note:

**The DD questionnaires for the assessment is enhanced based on MS ISO 37001: 2016 Anti Bribery Management System (ABMS).*

*** DD assessment will be excluded for customers and investors as Customer Due Diligence (CDD) and Enhance Customer Due Diligence (ECDD) will be conducted for them.*

8. Employee Declaration

All existing employees must

- ✓ Fully read the GABCP; and
- ✓ Sign Acknowledgment and Compliance Form

For new recruitment, pre-employment screening is to be performed through Pre-Employment Form and Statutory Declaration by Group Human Resources.

9. Reporting

Employees or any third party may disclose any improper conduct to the Designated Person (DP) in accordance with the Group Whistleblowing Policy through any of the following channels, depending on the identity of the person being complained against:

i) Email

a) Bank Islam Group

Person being reported	Designated Person(s) and email address
Tier 1 Any member of the BOD and SSC	Chairman Bank Islam chairman@bankislam.com.my
Tier 2 i) Chairman Board of Directors ii) Group Chief Executive Officer (GCEO) iii) Group Chief Integrity & Governance Officer (GCIGO) iv) Any member of Integrity & Governance Department (IGD)	Senior Independent Director (SID) SID@bankislam.com.my
Tier 3 Employees of the Group excluding BIMB Securities Sdn Bhd (BIMBSEC) and BIMB Investment Management Berhad (BIMBINVEST)	i) SID ii) GCIGO whistle@bankislam.com.my or online submission through Bank's corporate website: https://cif.bankislam.com.my/WB/

b) BIMB Securities Sdn Bhd

Person being reported	Designated Person(s) and email address
Tier 1 Any member of BIMBSEC's Board of Directors and Shariah Advisory Committee (SAC)	Chairman BIMBSEC chairman.bimbsecurities@bankislam.com.my
Tier 2 i) Chairman BIMBSEC ii) Chief Executive Officer BIMBSEC	Chairman Board Audit & Risk Committee (BARC) BIMBSEC Barcchairman.bimbsecurities@bankislam.com.my
Tier 3 Employees of BIMBSEC	i) Chairman BARC BIMBSEC ii) GCIGO whistle.bimbsecurities@bankislam.com.my

c) **BIMB Investment Management Berhad**

Person being reported	Designated Person(s) and email address
Tier 1 Any member of BIMBINVEST's Board of Directors, Investment Committee and Shariah Advisors	Chairman BIMBINVEST chairman.bimbinvestment@bankislam.com.my
Tier 2 i) Chairman BIMBINVEST ii) Chief Executive Officer BIMBINVEST	Chairman BARC BIMBINVEST Barcchairman.bimbinvestment@bankislam.com.my
Tier 3 Employees of BIMBINVEST	i) Chairman BARC BIMBINVEST ii) GCIGO whistle.bimbinvestment@bankislam.com.my

- ii) **Bank Islam Group Integrity Hotline:** 1-800-18-0201 for disclosure against Group employees including employees of BIMBSEC and BIMBINVEST which will be attended personally by GCIGO.

10. Adherence to GABCP

All employees of the Group are required to strictly adhere to the procedures outlined in the GABCP when discharging their duties and responsibilities.