

## Maybank's ESG Commitment

As a responsible corporate citizen, Maybank is committed to ensuring good environmental, social and governance (ESG) practices, including the promotion of sustainable finance. This is very much aligned to our mission of Humanising Financial Services.

We are aware of the role we can play in creating a sustainable future for all, and in this regard, we continuously seek to understand the needs of our different stakeholders, while remaining attentive to the implications of our actions on the communities we serve. We regularly assess how we can further embed sustainability considerations into our business operations and investment behaviour, so that we can manage our risks appropriately even as we help facilitate economic and societal growth.

## Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework

Our ESG framework has been developed to be in line with the Group's sustainability strategy for all of the Group's business activities.

We have established a list of criteria as part of our Responsible Lending guidelines in managing ESG risks since 2015. This provides us with a framework on how to be selective in our lending decisions, based on key ESG principles.

Our approach to sustainable finance includes:

- Understanding ESG impacts of transactions that we finance and are involved in;
- Supporting low-carbon businesses and transactions;
- Implementing our Responsible Lending Guidelines since 2015;
- Through our Islamic-first policy, our lending practices are enhanced by Shariah-principles and we refrain from lending in prohibited sectors.

As part of our continued commitment towards better ESG practices, we have enhanced and reviewed our ESG framework over time. In 2016, we did a thorough review of our approach towards assessing ESG risks in our lending. The enhancements to our ESG framework have taken into account key principles and best practices from:

- United Nations' Human Rights policy
- International Finance Corporation (IFC)'s standards, and
- Global environmental standards

As a result, an enhanced Maybank Group Environmental, Social & Governance (ESG) Risk Management Framework was formulated and approved by the Board in 2017. This new framework is more aligned with global practices and incorporates an ESG risk assessment to ensure that all activities undertaken are consistent with our core values and mission. We also make sure all transactions are reviewed against applicable requirements and that our clients understand our policy commitments.

We now also consider ESG commitments in our investments, particularly through Maybank Asset Management. We have also invested in the Malaysian ESG Opportunity Fund (MEQESG), an ESG Equity Growth Fund. Assessment on ESG risks will also be incorporated as part of our evaluation when determining the activities to be involved in.

The components of Maybank’s ESG commitments cover the following areas:

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>▪ Climate change</li> <li>▪ Land usage</li> <li>▪ Water usage</li> <li>▪ Energy usage</li> <li>▪ Emissions and waste</li> <li>▪ Natural resource conservation / sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Human rights</li> <li>▪ Employee rights and benefits</li> <li>▪ Workforce diversity</li> <li>▪ Products and services responsibility</li> <li>▪ Community relations</li> <li>▪ Supply chain management</li> <li>▪ Community investment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate governance</li> <li>▪ Transparency and reporting</li> <li>▪ Financial sustainability</li> <li>▪ Stakeholder engagement</li> </ul>

As part of this framework, Maybank will also not finance activities that are deemed to be not in line with our core values as well as international best practices, including, but not limited to:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans
- Money laundering and / or terrorism activities
- Business entities / corporations as per the Group’s Sanctions Policy and Group’s PEP Policy
- Production or activities involving harmful or exploitative forms of forced labour or harmful child labour
- Production or trade in pornography, prostitution, and related services
- Production or trade in weapons and firearms
- Production and trade in endangered animal species
- Production or trade in radioactive materials, including nuclear power generation and related services
- Production or trade in unbonded asbestos fibers
- Activities that could damage any World / National / UNESCO heritage sites
- Activities that could have a significant adverse impact on the environment and / or the surrounding community and are not in compliance with international and / or local standards, regulations and laws.

Maybank is aware of the importance of ESG in our business and we are constantly working with our customers to ensure that all applicable ESG guidelines and regulations for their industries are met, as well as to create awareness on their part for the need to adopt sustainable practices.

**POLICY AND PROCEDURE ON ACCESS TO INDEPENDENT PROFESSIONAL ADVICE, SENIOR MANAGEMENT AND COMPANY SECRETARY BY DIRECTORS OF MAYBANK GROUP**

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**1. Introduction**

- a) Pursuant to Paragraph 9.7 of the Corporate Governance Policy issued by Bank Negara Malaysia's Policy on 3 August 2016 ("BNM CG Policy"), the Board must be given access to independent professional advice from third party experts on any matters deliberated by the Board as and when required at the expense of Maybank Group.
- b) The Board should also have separate and independent access to Senior Management and the Company Secretary.
- c) In compliance with the BNM CG Policy and to enable the Board to discharge their duties effectively based on provided information that is accurate, complete and updated, a policy and procedure for directors of Maybank Group to have access to independent professional advice, Senior Management and Company Secretary is set out herein.

**2. Procedures for Directors to obtain Independent Professional Advice**

Directors either individually or as a group may obtain independent professional advice vide the following procedures:-

**Stage 1: Written Notification on Query**

- a) The Director concerned shall inform the Chairman of the Board preferably in writing the issues, concerns or queries he might have on matters related to Maybank Group ("Notification Letter") in furtherance of the Directors' duties regardless whether or not the said matter has been tabled at a Board or Board Committees meeting.
- b) The Chairman with the assistance of the Company Secretary will forward a copy of the Notification Letter to the Group President and Chief Executive Officer ("GPCEO") as soon as reasonably possible in order for him to identify and instruct the relevant business sector to provide a suitable response or explanation to the Director concerned, which response or clarification shall be counter-signed by the GPCEO.

**Stage 2: Reply to Director's Query**

- a) Upon instruction from the GPCEO, the Company Secretary shall inform the relevant business sector and/or Senior Management to prepare a suitable response and forward the said response ("Reply") to the Director concerned within fourteen (14) days from the date of receipt of the Notification Letter from the Director.
- b) If the Director concerned is satisfied with the Reply, the matter is considered resolved.
- c) If the Director concerned is not satisfied with the Reply, he shall inform the Company Secretary within twenty-one (21) days of his receipt of the Reply and request to obtain external advice ("Advice Request"). Upon receipt of the Advice Request, the Company Secretary shall inform the Chairman of the Board, the Chairman of the Audit Committee and the GPCEO accordingly.

**POLICY AND PROCEDURE ON ACCESS TO INDEPENDENT PROFESSIONAL ADVICE, SENIOR MANAGEMENT AND COMPANY SECRETARY BY DIRECTORS OF MAYBANK GROUP**

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**Stage 3: Appointment of Professional Advisor or Consultant**

- a) Upon receipt of the Advice Request, the Company Secretary shall co-ordinate the recommendation on selection and appointment of professional advisor or consultant in accordance with Maybank Group's relevant internal policies, procedures and practices relating to the proposed appointment.
- b) The recommendation of appointment of the professional advisor will be forwarded to the Director concerned for approval within fourteen (14) days of receipt by the Company Secretary of the Advice Request. If the Director approves the said recommendation, the advisor shall accordingly be appointed in accordance with the internal policies procedures and practices of Maybank Group. A copy of the recommendation and appointment shall be copied to the Chairman of the Board, the Chairman of the Audit Committee and GP CEO.
- c) If the Director disagrees with the recommendation of appointment of advisor, he shall make his own selection of his preferred advisor.

**Stage 4: Report to the Board of Directors**

- a) Upon receipt of the advice or findings from the professional advisor, the Director concerned shall furnish a copy of the said advice or findings to the Company Secretary.
- b) A copy of the said advice or findings, inclusive of the advisor's appointment process and remuneration shall be caused by the Company Secretary to be tabled to the Board for its information or where necessary, the Board shall deliberate whether the report is satisfactory or there are further action that needs to be taken.

The cost of engagement of the professional advisor shall be borne by Maybank or relevant subsidiaries which the Director concerned serves.

**3. PROCEDURE FOR DIRECTORS TO OBTAIN ADVICE FROM SENIOR MANAGEMENT AND COMPANY SECRETARY**

The procedure for Directors to obtain advice from the Senior Management and Company Secretary involves the process outlined in Stage 1 above wherein the Director concerned shall inform the Company Secretary of his query ("Notification Letter") and the Company Secretary will, if he deems appropriate, confirm with the GPCEO to discuss on the relevant business sector or Senior Management that should look into the matter and respond thereto accordingly.

Senior Management should endeavour to formulate a suitable response ("Reply") to the Director concerned within fourteen (14) days from the date of receipt of the Notification Letter and the Company Secretary shall forward the Reply to the Director concerned.

The Director concerned shall have the discretion to decide whether the report from the Senior Management should be circulated to other Board members. A copy of the Reply shall be given to the GPCEO.

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First issued: 24 August 2006  
Revised: 27 March 2013 (as approved by Maybank Board)



## POLICY ON BOARD GENDER DIVERSITY

### 1. Background

- 1.1 In June 2012, the Government announced the Cabinet approval of the policy to ensure 30 per cent female participation at the decision-making level in the private sector by 2016. This is the extension of the Policy of At Least 30 Per Cent Women in the Decision-Making Level in the Public Sector announced by the Government in 2004.
- 1.2 Certain studies (for example, Gender Matters, a 2007 McKinsey Report) have shown a correlation between strong business performance and women's participation in management. A gender-balanced board is said to demonstrate a higher collective intelligence. Boards make better decisions where a range of voices, drawing on different life experiences, can be heard and women bring different perspectives and views to the table, to the deliberations and decisions.
- 1.3 In line with the global views on gender diversity and the Government's initiatives, the Bursa Malaysia Main Market Listing Requirement ("MMLR") now requires a listed company to provide, in its annual report, disclosure of gender diversity policies and targets, and measures taken to meet those targets (Appendix 9C, Paragraph 15.08A of the MMLR). Similarly, the Malaysian Code on Corporate Governance issued by the Securities Commission in April, 2017 ("MCCG") recommends boards of listed companies to render an account in their annual reports on their policies on gender diversity, their targets and measures what they have done to increase female representation on their boards.

### 2. SCOPE AND PURPOSE

This Board Gender Diversity Policy ("Policy") sets out the approach to gender diversity on the Boards of Maybank and its subsidiaries which are licensed under Bank Negara Malaysia ("Licensed Subsidiaries") and is applicable to the Boards of Maybank and its Licensed Subsidiaries.

### 3. POLICY STATEMENT

While Maybank embraces the proposition that a gender diverse Board would have a positive value-relevant impact on Board performance, appointments on the Board must always be based on merit, with due regard to a candidate's background, skill and experience, and whether the appointment of such candidate would further complement or enhance the existing mix of skill and experience of the Board.

### 4. KEY OBJECTIVES

- 4.1 Subject to Paragraph 3 above and in line with the recommendations of the Code, the Board endeavors to reflect its commitment towards gender diversity by maintaining at least 30% female representation on the Board.
- 4.2 To promote the specific objective of gender diversity on the Board, this Policy requires:
- a. The selection process for director appointments to involve the short-listing of potential candidates which must include at least one (1) female representation whenever reasonably possible; and
  - b. That priority is placed on the appointment of a female director to fill a directorship vacated by a retiring or resigning female director.

## THE NOMINATION AND REMUNERATION COMMITTEE’S ROLE

- 4.3 The Nomination and Remuneration Committee (“NRC”) is responsible, on behalf of the Board, to oversee the general composition of the Board and its effectiveness, and to recommend suitable candidates for appointment of directors to the Board.
- 4.4 The NRC shall endeavour to achieve and maintain an optimal mix of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, apart from consideration of merit and the Policy on Fit and Proper Criteria for Appointment, the NRC shall give due regard to the benefits of gender diversity on the Board.
- 4.5 In order to achieve the objectives for increasing female representation on the Board, the NRC shall also:
- a. Identify potential female director candidates (from public and private sectors) to be placed within the pool of qualified director candidates;
  - b. Update the Board of the percentage of female director candidates in the pool of qualified director candidates on a half-yearly basis;
  - c. Conduct an annual assessment of the effectiveness of the key objectives for achieving gender diversity on the Board, and monitoring the achievement of gender diversity targets;
  - d. Make appropriate recommendations to the Board in relation to the key objectives for achieving gender diversity on the Board, and initiatives to support the objectives for achieving gender diversity on the Board; and
  - e. Propose and make recommendations to the Board for the development of onboarding training and induction programmes for female directors.

### 5. DISCLOSURE

The Board shall disclose in the Annual Report the proportion/number of female directors on the Board, and the progress being made with the measurable objectives.

### 6. REVIEW

This Policy shall be reviewed at least annually by the Board to ensure its effectiveness.

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First issued: 27 March 2013

Revised: 25 January 2018 (as approved by Maybank Board)



## POLICY ON DIRECTORS CONFLICT OF INTEREST

### 1.0 Objective

The objective of this Policy is to regulate and manage issues relating to conflict of interest that a Director may encounter during his tenure as a Director, so that the Board may address the same in a manner that ensures the integrity of the Bank is not compromised.

### 2.0 Definitions

2.1 In this Policy, unless the context otherwise requires, the following capitalised terms bear the following meanings, namely:-

<b>ACB</b>	means the Audit Committee of the Board;
<b>Associated Party</b>	means the parties as described in Schedule 1 of this Policy as may be amended from time to time;
<b>Bank/Maybank</b>	means Malayan Banking Berhad;
<b>Benefit/s</b>	means any type or form of gift (cash or non-cash), award or advantage (financial or non-financial, including a position offered in a corporation);
<b>Bursa Malaysia</b>	means Bursa Malaysia Securities Berhad
<b>Board</b>	means the Board of Directors of the Bank;
<b>Director</b>	means a director of the Bank;
<b>Exempted Credit Transaction</b>	means the exempted credit transactions as described in Section 4.2 of Maybank Group's Policy on Credit Transactions and Exposures with Connected Parties as may be amended from time to time;
<b>Interested Director</b>	means a Director who has an interest in a Transaction or who has been offered and/or has received a Benefit (as the case may be);
<b>MMLR</b>	means the Main Market Listing Requirements of Bursa Malaysia, as may be amended from time to time
<b>Secretariat</b>	means the Group Corporate Secretarial Department of the Bank;

**POLICY ON DIRECTORS CONFLICT OF INTEREST**

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<b>Secretary</b>	means the Group General Counsel and Company Secretary of the Bank;
<b>Transaction/s</b>	means any existing or proposed transaction or arrangement with the Bank , save and except the following:-  (a) Exempted Credit Transactions;  (b) Transactions which are not normally regarded as related party transactions as set out under Chapter 10 of the MMLR; and  (c) Any transaction which a director or his Associated Party cannot reasonably be expected to derive a benefit or suffer a detriment from the transaction or arrangement in a way that will place the said Director in a position of conflict.
<b>Transacting Party</b>	means a party involved in a Transaction with the Bank (including existing customers and vendors of the Bank).

- 2.2 Except where the context otherwise requires,  
a) words denoting the singular include the plural and vice versa; and  
b) references to any gender include the other gender.

**3.0 Guiding Principles**

- 3.1 A conflict of interest occurs when a Director’s personal interest conflicts with his responsibility to act in the best interest of the Bank.
- 3.2 In the context of this Policy, the term conflict of interest refers to:-  
  
(a) a direct or indirect interest (via his Associated Party) of a Director; and  
  
(b) an actual or potential conflict of interest.

These conflict situations present the risk that Directors might make a decision based on or affected by these influences rather than in the best interest of the Bank.

- 3.3 When conflict of interest arises, it must be addressed and managed effectively by the Board in accordance with this Policy.

**4.0 Circumstances which may give rise to Conflict of Interest**

The circumstances which may give rise to situations of conflict of interest are as follows:-

- (a) Transactions which involves the interest of a Director and/or his Associated Party; and  
  
(b) Benefits offered to and/or received by a Director.



**5.0 Disclosure of Interest in a Transaction**

- 5.1 An Interested Director in a Transaction shall, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest in the Transaction.
- 5.2 An Interested Director in a Transaction must make the disclosure by way of a general notice to the Board and the Secretary:-
- (a) as soon as practicable after being aware of his interest in the Transaction; and
  - (b) if the Transaction is being deliberated at a Board meeting, before the commencement of that deliberation.
- 5.3 Such notice should include sufficient information of the nature and extent of the conflict for the Board's information and/or consideration.
- 5.4 To facilitate the process of disclosure of directors' interest in a Transaction, all Directors are required to furnish details of Associate Parties as required in the form attached hereto as Appendix 1 and to submit the completed form to the Secretariat upon their appointment as a Director.
- 5.5 All Directors are further obliged to inform the Secretariat of any changes to be made to the list of their Associated Parties as soon as possible.

**6.0 Change in Circumstances**

- 6.1 All Directors are obliged to inform the Board of any change in his circumstances that may give rise to conflict of interest in respect of any Transaction.
- 6.2 The disclosure to the Board of such changes are to be made in the same manner as set out under Section 5 above and must include sufficient explanation as to the nature of interest that has changed for the Board's information and/or further consideration.

**7.0 Benefits received by a Director**

- 7.1 A Director who has been offered or has received a Benefit must not accept the Benefit unless he has first disclosed the same to the Board, describing among others, the nature and the estimated value of such Benefit. Upon such disclosure being made, the Board may at their sole discretion either:-
- (a) request the said Director to decline the offer or to return the Benefit (as the case may be);  
or
  - (b) to allow the Director to accept the Benefit, either with or without conditions imposed.
- 7.2 The following exceptions to Section 7.1 would apply:-
- (a) Benefits offered to and/or received not in his capacity as a Director; OR
  - (b) the estimated value of such Benefit offered to and/or received by a Director is not more than RM500.

7.3 The Board may from time to time establish further exceptions to Section 7.1 as the Board deems fit and reasonable under the circumstances.

**8.0 Board Proceedings**

8.1 An Interested Director shall not be present at any board meeting:-

- (a) when a Transaction involving his interest or
  - (b) when the Benefit that he has disclosed;
- is being deliberated by the Board.

8.2 All disclosures of conflict of interest are to be recorded in the minutes of meeting of the Board or in the written resolution of Directors. The Secretariat shall be responsible for maintaining updated records on each Director's conflicts of interest.

**9.0 Compliance and Review of Policy**

9.1 Compliance with this Policy is the responsibility of each individual Director as well as the Board as a whole.

9.2 Compliance to the provisions of this Policy shall be monitored from time to time by the ACB.

**10.0 Non-Compliance with Policy**

10.1 Any Director who has been found not to have complied with this Policy shall be dealt with in a manner that the Board deems fit under the circumstances.

10.2 All decisions relating to a Director's non-compliance with this Policy shall be made unanimously by the remaining Board members and shall bind the said Director accordingly.

10.3 All decisions made by the Board pursuant to the provisions of this Policy shall be without prejudice to the existing laws, rules and regulations that applies to a Director pertaining to Directors' conflict of interest.

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First issued: 23 February 2017

**SCHEDULE 1****PARTIES ASSOCIATED WITH DIRECTOR**

1. Parents;
2. Spouse;
3. Child (including adopted child and step-child);
4. Spouse of child;
5. Brother and sister;
6. Spouse of brother and sister;
7. Dependents<sup>1</sup> of Director or his spouse;
8. A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which a Director and/or family member of the Director is a beneficiary;
9. A partner<sup>2</sup> of a Director or a partner<sup>2</sup> of person associated with the Director;
10. A firm, partnership, company or any legal entity which is controlled<sup>3</sup> by a Director;
11. A firm, partnership, company or any legal entity in which a Director is interested as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
12. Any person for whom a Director and/or family member of the Director is a guarantor;
13. A body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a Director;
14. A body corporate or its directors whose directions, instructions or wishes a Director is accustomed or under an obligation, whether formal or informal, to act;
15. A person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a Director;
16. A person in accordance with whose directions, instructions or wishes a Director is accustomed or is under an obligation, whether formal or informal, to act; and
17. A body corporate in which a Director and/or person associated with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate.

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<sup>1</sup> Any person who is financially dependent on the Director or his spouse for livelihood.

<sup>2</sup> (a) a person with whom a Director or Associated Party is in or proposes to enter into partnership with. "Partnership" refers to a "partnership" as defined in Section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in Section 2 of the Limited Liability Partnerships Act 2012; or

(b) a person with whom a Director or Associated Party has entered or proposes to enter into a joint venture, whether incorporated or not.

<sup>3</sup> (a) controls more than 50% of the voting rights of the firm, partnership, company or legal entity;

(b) holds more than 50% of the issued share capital of the firm, partnership, company or legal entity whether directly or indirectly (excluding preference shares);

(c) controls the composition of the board of the firm, partnership, company or legal entity;

(d) has the power to appoint and/or remove all or a majority of the board of directors of the firm, partnership, company or legal entity;

(e) controls the controlling shareholder of the firm, partnership, company or legal entity; or

(f) a person in accordance with whose directions or instructions, a director of the firm, partnership, company or legal entity or its holding company are accustomed to act.



**POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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**1. DEFINITIONS & INTERPRETATIONS**

1.1 In this Policy, the following words has the corresponding meanings ascribed to it:-

Affiliate	means in relation to an entity, refers to any corporation that controls, is controlled by, or is under common control with, the entity
BNM	means Bank Negara Malaysia
BNM FAP Criteria	means the Fit and Proper Criteria issued by BNM on 28 June 2013
Board	means Board of Directors
Bursa Securities	means Bursa Malaysia Securities Berhad
CA	means the Companies Act, 2016 including any amendments made thereto
CEO	means Chief Executive Officer
Company Secretary	means the Company Secretary of Maybank or of its Subsidiary FIs
Director	means a Director of the Bank or of a Subsidiary FI
Executive Director	means a Director who has management responsibilities in Maybank or any of its Affiliate
FI Group	means collectively Maybank and all Subsidiary FIs or any one of such entities (as the context permits);
IFSA	means the Islamic Financial Services Act, 2013 including any amendments made thereto
FSA	means the Financial Services Act 2013 including any amendments made thereto
Key Responsible Person (“KRP”)	means:- <ul style="list-style-type: none"> <li>(i) Directors (including Executive Director);</li> <li>(ii) Shariah Committee members;</li> <li>(iii) Chief Executive Officers of Subsidiary FIs;</li> <li>(iv) Senior Officers; and</li> <li>(v) Company Secretaries</li> </ul>
Listed Issuer	means Maybank and any Subsidiary FI which shares are listed and are publicly traded on the Main Board of Bursa Securities

## **POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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NRC	means the Nomination and Remuneration Committee
LR	means Main Market Listing Requirements of Bursa Securities including any amendments made thereto
Senior Officers <sup>1</sup>	means:- <ul style="list-style-type: none"><li>(i) Members of the Maybank Group Executive Committee (“EXCO”);</li><li>(ii) Direct reports to the CEOs of the Subsidiary FIs;</li><li>(iii) Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Internal Auditor and appointed Actuary of the Subsidiary FIs</li></ul>
Subsidiary FI	means all Subsidiaries of Maybank which has been licensed by BNM to conduct banking or insurance business
Substantial Shareholder	refers to a person that holds an aggregate interest of 5% or more in the shares of Maybank or of its Subsidiary FIs

### 1.2 Interpretation:-

- (i) **Gender**  
Unless the context otherwise requires, words importing gender include all genders.
- (ii) **Singular and Plural**  
Unless the context otherwise requires, words importing the singular number include the plural number and vice versa.

## 2. **OBJECTIVE**

This Policy is applicable to Maybank and all its Subsidiary FIs.

It sets out the criteria for the assessment of individual members of the Board or of the Senior Management to ensure that they have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner.

## 3. **REGULATORY BACKGROUND**

This Policy complies with the provisions of the BNM FAP Criteria.

## 4. **KEY RESPONSIBLE PERSONS**

- 4.1 KRPs are key persons who are accountable or responsible for the management and oversight of the FI Group.

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<sup>1</sup> Refer to Para. 4.2 of this Policy

**POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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- 4.2 For the purpose of this Policy, Senior Officers (as defined in this Policy) are also designated as KRPs as they:-
- (i) perform a senior management function whose primary or significant responsibility is for the management and performance of significant business activities of the FI Group, and:
    - (a) has the authority, makes or has substantial influence in making decisions that affect the whole, or a substantial part of the respective businesses of the FI Group;
    - (b) is principally accountable or responsible, whether solely or jointly with other persons, for implementing and enforcing policies and strategies approved by the respective Boards of the FI Group; or
    - (c) is principally accountable or responsible, whether solely or jointly with other persons, for developing and implementing systems, internal controls and processes that identify, measure, monitor or control of the respective FI Group's risks; and/or
  - (ii) assume primary or significant responsibility for key control functions. This includes a person who is principally accountable or responsible, whether solely or jointly with other persons, for monitoring the appropriateness, adequacy and effectiveness of the respective Group FI's internal controls, risk management and compliance systems and processes.

**5. THE COMPANY SECRETARY**

- 5.1 In addition to KRPs, this Policy also addresses the expectations on the suitability of the Company Secretary, to ensure that the person in the role has the integrity and competence required to perform the role.
- 5.2 Towards that end, any person to be appointed as a Company Secretary must not be disqualified under Section 238 of the CA and must be assessed as per Paras. 7.2(i) and (ii) below, i.e. in relation to:-
- (i) Probity, personal integrity and reputation; and
  - (ii) Competency and capability.

**6. CIRCUMSTANCES IN WHICH KRPS ARE TO BE ASSESSED**

- 6.1 The FAP criteria for assessment on KRPs as prescribed in Para. 7.2 below and the Company Secretary (in relation to Paras. 7.2 (i) and (ii)), is applicable during the process of:-
- (i) New appointments;
  - (ii) Re-appointment;
  - (iii) Annual Assessment; and
  - (iv) Other circumstances as deemed necessary by the Board of the respective Malaysian FIs.

**POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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**7. THE FIT AND PROPER CRITERIA (“FAP CRITERIA”)**

7.1 In addition to the FAP Criteria for assessment of all KRPs as described in Para. 7.2 below, the following considerations must also be taken into account specifically in relation to the assessment of candidates to be appointed to the Board<sup>2</sup>:-

- (i) He must not be disqualified under section 59(1) of the FSA or section 68(1) of the IFSA, and must have been assessed by the board nominations committee to have complied with the fit and proper requirements;
- (ii) He must not have competing time commitments that impair his ability to discharge his duties effectively;
- (iii) He must not be an active politician<sup>3</sup>; and
- (iv) Where a firm has been appointed as the external auditor of Maybank or any Subsidiary FI, any of its officers directly involved in the engagement and any partner of the firm must not serve or be appointed as a director of the financial institution until at least two years after:-
  - (a) he ceases to be an officer or partner of that firm; or
  - (b) the firm last served as an auditor of Maybank or of the said Subsidiary FI.

7.2 In determining whether a person is fit and proper to hold positions as a KRP, the NRC should consider the following criteria:-

(i) **Probity, personal integrity and reputation**

Reputation and personal qualities such as honesty, integrity, diligence, independence of mind and fairness. Probity, personal integrity and reputation are values that are demonstrated over time. These attributes demand a disciplined and on-going commitment to high ethical standards. In assessing a person’s level of probity, integrity and reputation to hold a position of a key responsible person, the NRC should consider matters including, but not limited to the following:-

- (a) whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- (b) whether the person has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;
- (c) whether the person has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;
- (d) whether the person, or any business in which he has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;

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<sup>2</sup> Per Para. 10.2 to 10.5 of the BNM CG Policy

<sup>3</sup> Refers to an individual who is a member of any national or state legislative body, or an individual who, other than being an ordinary member, also holds a position/office at any level of a political party

**POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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- (e) whether the person has been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
  - (f) whether the person has been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about his honesty and integrity;
  - (g) whether the person has been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated;
  - (h) whether the person has held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while the person was connected with that business;
  - (i) whether the person has been a director of, or directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the license of which has been revoked under any written law;
  - (j) whether, in the past, the person has acted unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities;
  - (k) whether the person has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;
  - (l) whether a person has contributed significantly to the failure of an organisation or a business unit;
  - (m) whether the person has at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices;
  - (n) whether the person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgment when acting in the capacity of a key responsible person which would be disadvantageous to the LI or the LI's interest; and
  - (o) whether the person has been declared a bankrupt.
- (ii) **Competence and capability**

The person must have the necessary skills, experience, ability, commitment and soundness of judgment to carry out his role. Competence and capability are demonstrated by a person who possesses the relevant competence, experience and ability to understand the technical requirements of the business, the inherent risks and the management process required to perform his role as a KRP in the relevant capacity effectively. In assessing a person's competence and capability, the NRC should consider the following:-

- (a) Whether he has achieved significant milestones in business, professional service or public service.



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- (b) Whether he possesses the requisite intelligence, education, expertise and experience to make a significant contribution to Maybank or its Subsidiary FIs (as the case may be) which benefits from the candidate's range of diverse perspective and background.
- (c) Whether he demonstrates the highest ethical standards, strong sense of professionalism and is committed to serve the interest of all Maybank's stakeholders.
- (d) Whether he has the personal skills to communicate effectively.

**(iii) Financial integrity<sup>#</sup>**

The person must manage his debts or financial affairs prudently. Financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently. The NRC should take note that the fact that a person may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria. In assessing a person's financial integrity, the NRC must consider all relevant factors, including but not limited to the following:-

- (a) whether the person has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
- (b) whether the person has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

In ensuring the above, the Board may refer to the result of bankruptcy search, CTOS search, CCRIS report etc.

*<sup>#</sup> Not applicable to Company Secretary, per Para. 5.2 of this Policy and the provisions of the BNM FAP Criteria*

**(iv) Other Material Considerations**

- (a) Management and leadership experience

Candidates to be appointed as Directors or CEOs especially, should have management and leadership experience at the most senior level of a major public corporation, established private organizations, reputable local or international financial services group or professional bodies. Experience in appointed senior positions of the government or its agencies, regulatory bodies or highly visible non-profit organization may also bring invaluable insights to the Board, and should also be considered.

As for Shariah Committee members, the candidate must have the relevant academic qualification from reputable institution and possess vast knowledge, expertise or experience in Shariah areas particularly Islamic jurisprudence (*Usul al-Fiqh*) or Islamic transaction/commercial law (*Fiqh al-Mu'amalat*). He should also have management and leadership experience at the most senior level of Federal/State Islamic Religious bodies or other Islamic governmental institutions, established private organizations, reputable local or international

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professional bodies or scholar/academician from recognized Institution of Higher Learning. In this regard, the Board should be guided by BNM Shariah Governance Framework accordingly.

In respect of KRPs other than the above, the NRC should also determine the minimum qualifications, management and leadership experience required (with the assistance of Maybank's Group Human Capital Sector).

**(b) Skills, expertise and background**

The candidate should possess a diverse range of skills and expertise which complements the set of skills of existing Board/Shariah Committee to ensure there is balance between business and financial expertise, professional knowledge and financial industry experience. A candidate who has experience in regional and international markets would be an added advantage considering the various oversights required of a financial institution with global reach, such as Maybank.

A candidate who has sufficient understanding of financial reporting and internal control principles or financial management experience brings with him the desired knowledge and skills to the Board. Other skills that add value to the Board are amongst others legal, change management, human resource management, marketing, strategic planning and project management.

Candidates with financial services industry knowledge such as banking, capital markets and insurance may also assist the Board in performing its duties effectively.

**(c) Ethics and professionalism**

The candidate must have the highest ethical standards, strong values and moral and a strong sense of professionalism which drives him to act independently, objectively and is willing to serve as a representative of all Maybank's shareholders. This enables him to effectively consider the interest and concerns of all Maybank's shareholders and stakeholders in making a decision. The candidate must also subscribe to Maybank's Code of Ethics and Conduct and Core Values.

**(d) Communication and compatibility**

The candidate must possess the requisite personal qualities including but not limiting to confidence, inter-personal skills, courage, communication skills and commitment enabling him to give his views concisely and challenge management, where appropriate yet continue to work constructively with Board members and the senior management team of Maybank.

The diversity of the communities and geographies in which Maybank Group conducts its business is also taken into account when considering the composition of the Board.

**(e) Contribution**

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The candidate's personal qualities should enable him to share his expertise and make a significant contribution to the Board/Shariah Committee's discussion. He should be able to provide general business advice and assist the Board/Shariah Committee in making major business decisions based on sound understanding of business, accounting and finance, legal and regulatory requirements relevant to financial institutions.

(f) Conflict of interest<sup>^</sup>

Refer to Maybank's Policy on Directors Conflict of Interest

(g) Directors Independence<sup>^</sup>

Refer to Maybank's Policy on Directors Independence

(h) Tenure<sup>^</sup>

Refer to Maybank's Policy on Tenure of Directorships

<sup>^</sup>*Applicable to FI Directors only*

(i) Other criteria

The NRC should consider whether there have been material changes in the nature or scope of the responsibilities assumed by the KRP which would call for higher standards of competence or judgement in order to properly perform the duties associated with the said position, or which may give rise to new conflicts that could impair the candidate's performance in the position.

The NRC should also consider any other criteria as may be specified by BNM or relevant regulatory bodies from time to time. Additionally, other criteria may be considered by the NRC which it deems necessary to ensure Maybank has the most suitable mix of Board members at all times to lead the Group effectively.

**8. THE FIT AND PROPER ASSESSMENT (THE "FAP ASSESSMENT")**

8.1 The Board and the NRC shall be directly responsible for the conduct of the FAP Assessment for all KRPs and Company Secretary in accordance with this Policy.

8.2 The FAP Assessment is applicable to all KRPs and the Company Secretary, and is to be conducted pursuant to the circumstances mentioned in Para. 6 of this Policy. In the case of new appointments, a potential candidate to be appointed as a KRP or Company Secretary is to be provided with a copy of this Policy for his understanding of the requirements of the assessment to be undertaken on the said candidate. Thereafter, the candidate is to provide written confirmation to the FI Group in the form of a declaration, that he has fully understood the fit and proper requirements and the obligations to continue meeting the fit and proper criteria on an ongoing basis.

8.3 The criteria for Assessment of KRPs is as per Para. 7 above.

8.4 The FAP Assessment is to be conducted in the following manner:-

**POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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- (i) In the case of Directors, all Directors are required to provide confirmation or declaration that they have fully complied with the criteria as described in Para. 7 above by submitting the following duly completed forms:-
  - (a) Declaration of Non Disqualification of Director;
  - (b) Declaration of Independence of Director;
  - (c) Declaration of Compliance with Fit and Proper Requirements;
  - (d) Declaration of Directorship outside Maybank Group; and
  - (e) Declaration of Business Interests in Maybank Group;
- (ii) In the case of CEOs of Subsidiary FIs, Senior Officers and Company Secretary, the FAP Assessment is to be conducted in accordance with Group Human Capital's policy and procedure on assessment of Fit and Proper Criteria; and
- (iii) In the case of Shariah Committee members, the FAP Assessment is to be conducted in the same manner as the assessment of Directors (per Para 8.4(i) above)

**9. FINDINGS PURSUANT TO THE FAP ASSESSMENT**

The report on the FAP Assessment conducted in accordance with Para. 8 above will be tabled to the NRC for recommendation to the Board. The Board shall assess a person's fitness and propriety individually, as well as collectively taking into account their relative importance. Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The assessment should be exercised objectively and always in the best interest of the FI Group and sound conduct of their respective businesses.

**10. RECOMMENDATIONS TO THE BOARD**

10.1 The NRC shall deliberate on the findings pursuant to the FAP Assessment and make the appropriate recommendations to the Board for its decision.

10.2 With reference to Para. 6 above:-

- (i) If the Board is satisfied that:-
  - (a) In the case of new appointments, the prospective candidate to fill a KRP position/Company Secretary; or
  - (b) In the case of re-appointment, the relevant KRPs;

are fit and proper for the post, an application will be made to BNM for its approval in respect of the following KRPs:-

- the Directors (including Executive Director);
- the Shariah Committee members; and
- the CEOs of Subsidiary FIs;

while in respect of other KRPs, the Board would subsequently approve their appointment, re-appointment or endorse their continuing position/service with Maybank (or the Subsidiary FI as the case may be).

**POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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- (ii) In the case of annual assessments and assessments to be conducted for other circumstances to be decided by the Board, the Management would inform the KRP/Company Secretary and/or BNM (if and when necessary) of the outcome of such assessment.
- (iii) In the case of new appointments on the Board, a candidate must make several declarations in compliance must also the following statutory and regulatory requirements:-
  - (a) Consent to act as director under Section 201 of Companies Act, 2016;
  - (b) Declaration of non-disqualification under subsection 59(1) of the FSA in compliance with the fit and proper criteria and independence (for independent directors only);
  - (c) Declaration relating to restriction on directorship under the LR\*; and
  - (d) Declaration of independence under the LR\*.

*\* Applicable to Listed Issuers only*

**11. DISQUALIFICATION OF KRP AND COMPANY SECRETARY**

11.1 In line with Section 61 of the FSA and Section 70 of the IFSA, in the event that the KRP of the FI Group, as the case may be:-

- (i) becomes disqualified under Section 59(1) of the FSA or Section 68(1) of the IFSA (as the case may be) or in the case of the Company Secretary, disqualified under Section 238 of the Companies Act, 2016; or
- (ii) no longer complies with any of the fit and proper requirements as maybe specified by BNM under Section 60 Financial Services Act, 2013 or Section 70 of the IFSA (as the case may be);

such KRP shall immediately cease to hold office and act in such capacity.

11.2 The FI Group shall immediately:-

- (i) in the case of Para. 11.1(i) above, terminate the appointment of such KRP; or
- (ii) in the case of Para. 11.1(ii) above, remove such KRP from such office.

11.3 Notwithstanding anything contained in any contract of service or any other agreement relating to his appointment, the KRP terminated under Para11.2(i) above shall not be entitled to claim any compensation for such termination.

In respect of Company Secretaries in particular, where the Board, upon recommendation by the NRC, has assessed that the Company Secretary no longer demonstrates the qualities specified in Paras. 7.2(i) and (ii) above, the Board must take immediate steps to reduce the risks associated with the person continuing to hold the position and remove the person from such position as soon as practicable. The FI Group shall within seven (7) days from the date of such removal or termination inform BNM of such decision.

11.4 For the KRP or Company Secretary who are employees of the FI Group, the FI Group must ensure that the steps to be taken under para. 11.1 shall be carried out or dealt with in accordance with the FI Group's rules and procedures for Disciplinary Action in

**POLICY ON FIT AND PROPER CRITERIA FOR APPOINTMENT/RE-APPOINTMENT OF KEY RESPONSIBLE PERSONS OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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the event that the NRC finds that such person does not meet the criteria as described in Para. 7 above which is a misconduct under the FI Group's rules and regulations.

**12. DISCLOSURE OF INFORMATION (WHISTLEBLOWING)**

- 12.1 Any personnel within the FI Group may disclose information that may be relevant to the assessment of the KRP and Company Secretary and the person should be protected against any discriminatory actions for providing such information as per Maybank Integrity Hotline.
- 12.2 Any information relevant to the assessment of the KRP and Company Secretary should be ultimately directed first to the NRC. The NRC may require assistance from Group Corporate Secretarial, Group Human Capital or other departments to provide clarification or additional information pertaining to the allegations before further action can be taken. If satisfied that the allegations are true, the NRC shall proceed with the necessary action as detailed in Para 11.3 above.

**13. CONFIDENTIALITY AND DOCUMENT RETENTION**

- 13.1 The FI Group shall keep all the information obtained on the KRP and Company Secretary in the course of conducting the fit and proper assessments confidential, and accessible only by the NRC, Board and relevant personnel in Group Corporate Secretarial and Group Human Capital involved in the conduct of such assessments. The information shall not be disclosed to any other party.
- 13.2 The FI Group shall:-
- (i) document all information considered in assessing the KRP and Company Secretary for Appointment, Re-appointment and for the FAP Assessment of the fitness and propriety of the KRP and Company Secretary;
  - (ii) retain all documentation relating to the fit and proper assessment be it for appointment, reappointment and FAP Assessment of the KRP and Company Secretary for as long as the person remains in the same position, another KRP position within the FI Group or as a Company Secretary;
  - (iii) retain all documentation relating to the FAP Assessment of an unsuccessful candidate for a particular KRP position or as Company Secretary for at least three (3) years; and
  - (iv) retain documentation relating to the FAP Assessment of the KRP and Company Secretary for a period of seven (7) years following the person ceasing to hold a KRP position with the FI Group.

**14. LIST OF KRP**

- 14.1 The list of the KRP shall be updated to the NRC and the Board annually upon completion of the FAP Assessment. In the event of any resignation, cessation or new appointment or reappointment of KRP during the year, such changes must be updated to the NRC and the Board on quarterly basis.
- 14.2 On a quarterly basis, Group Secretarial Department shall, in consultation with Group Human Capital and relevant subsidiaries of the FI Group, update and align the list of

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KRPs. Group Secretarial Department shall also issue a standard reporting template to be filled and submitted by the relevant subsidiaries and Group Human Capital to formally update the KRP list whenever there is a change to the same.

14.3 The process to conduct a FAP Assessment is illustrated in Appendix A of this Policy.

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Revised: 25 August 2011 (as approved by Maybank Board)

Revised: 27 March 2013 (as approved by Maybank Board)

Revised: 25 January 2018 (as approved by Maybank Board)



**POLICY ON NOMINATION PROCESS FOR APPOINTMENT OF CHAIRMAN, DIRECTOR AND CHIEF EXECUTIVE OFFICER OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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**1. Introduction**

- a) For the purpose of this policy, a licensed institution shall be referable to any institution licensed by the Minister and regulated by Bank Negara Malaysia (“BNM”) pursuant to the banking, insurance and takaful legislations.
- b) Generally, the Nomination & Remuneration Committee of Maybank (“NRC”) will consider the appointment of directors and chief executive officers (“CEOs”) of Maybank and its subsidiaries which are licensed institutions. The NRC will then make the relevant recommendation to the Board of Maybank and Board of subsidiaries for the appointment of the directors and CEOs.
- c) This nomination process also takes into account the Terms of Reference of the NRC and any changes to the same may result in certain adjustments to be made to the nomination process.
- d) This policy on nomination process is applicable to Maybank and all financial institutions (“FIs”) in the Group.
- e) In line with good corporate governance and compliance with the above guidelines and to provide clarity on the nomination process for Maybank Group, a 4-stage nomination process is implemented.

**2. Nomination Process**

There are four main stages in the nomination process of the appointment of chairman, director and CEO of FIs in Maybank Group.

**Stage 1: Identification of Candidates**

- (a) The name and profile of a candidate, which includes details of his qualifications and experience may first be put forth by various parties, including Directors of the Group, major shareholders and/or the Senior Management, to the Chairman of the NRC for his consideration.
- (b) Upon assessing the profile of the candidate and if suitable, the Chairman of the NRC may request the Chairman of the Board and/or members of the NRC to meet with the proposed candidate.

**Stage 2: Engagement with Candidates**

- (a) The Company Secretary of the Board or the Company Secretary of the respective Subsidiary (if the candidate is proposed to be appointed to the Board of Subsidiary) shall contact the candidate to inform his proposed candidacy as Director or Senior Management of Maybank or as Director or CEO of the Identified Entities (as defined in the Terms of Reference of the NRC) (“Key Personnel”) and to arrange for an engagement session with the candidate.
- (b) During the meeting, the representative of the relevant board shall meet the candidate and in pursuance thereof form his views on the suitability of the candidate. The engagement with the candidate would cover the following:-



**POLICY ON NOMINATION PROCESS FOR APPOINTMENT OF CHAIRMAN, DIRECTOR AND CHIEF EXECUTIVE OFFICER OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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- (i) assess the experience, skills and suitability of the candidate; and
  - (ii) clarify the expectations of the company / Board and gauge the candidate's willingness and ability to ensure sufficient time commitment in order to be able to effectively perform the duties of Key Personnel, including in respect of regular attendance at Board and Board Committee (if applicable).
- (c) After the engagement session with the candidate, the NRC shall form their views on the suitability of the candidate to be appointed as the Key Personnel.
- (d) The Chairman of the NRC shall if he deems appropriate, notify the Secretary of the NRC to include a proposal on the nomination of the candidate at the next scheduled NRC meeting to deliberate on the proposal.

Stage 3 : Deliberation by NRC

- (a) The NRC shall then deliberate on the suitability of the candidate's credentials based on the outcome of the engagement session and ensure all requisite criteria, attributes and qualification are satisfactorily met in accordance with Maybank's Policy on Fit and Proper Criteria for Appointment / Re-Appointment of Key Responsible Persons of Licensed Institutions in Maybank Group and any other applicable minimum fit and proper criteria as well as other regulatory requirements.
- (b) If the NRC is satisfied with the proposal to nominate the candidate and considers the candidate as suitable, the NRC will recommend the appointment of the potential candidate together with the endorsement and appropriate justifications for the nominations to the Board or the Board of the respective Subsidiary for approval.

Stage 4: Recommendation to Board of Maybank or Board of Subsidiaries

- (a) The Company Secretaries of the relevant Boards shall table to their respective Boards for approval the recommendation of the Nomination & Remuneration Committee pertaining to the appointment of director of Maybank or its subsidiaries. Apart from seeking the approval from the relevant Boards on the appointment of director, the Company Secretaries should also include in the proposal that subject to the approval by BNM being obtained on the said appointment, the Boards shall delegate to the Chairmen of the relevant Boards to determine the effective date of appointment of the said director.
- (b) The Boards of Maybank or its subsidiaries, as applicable will consider the recommendation of the NRC pertaining to the appointment of directors and CEOs of Maybank or its subsidiaries, as the case may be.
- (c) The relevant Boards shall deliberate on the NRC's recommendations and should the same be accepted and approved, the relevant Company Secretaries will submit an application to BNM on the application for the approval of the appointment of the said candidate together with the NRC's endorsement and justifications in accordance with the relevant statutory provisions and guidelines of BNM.

**POLICY ON NOMINATION PROCESS FOR APPOINTMENT OF CHAIRMAN, DIRECTOR AND CHIEF EXECUTIVE OFFICER OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

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- (d) Upon obtaining the approval from BNM, the Company Secretaries shall inform the relevant Boards of the said approval and for the Boards to endorse the effective date of the appointment of the candidate. Alternatively, the Company Secretaries may recommend to the Boards the delegation to the Chairmen of the relevant Boards to determine the effective date of the appointment.

**3. General**

- (a) The appointment of the candidate shall be confirmed upon receipt of approval from BNM and the candidate's compliance with the relevant statutory and regulatory requirements relating to his appointment. The Company Secretaries of the relevant Boards shall notify the Chairmen of their respective Boards of the said approval and the Chairmen shall in accordance with the authority delegated to him as per stage 4(a) above then determine the effective date of appointment of the candidate as director of Maybank or its subsidiaries.
- (b) Notwithstanding the abovementioned nomination process, the appointment of existing directors of Maybank or internal candidates from within the Maybank Group as director or CEO of the relevant subsidiaries may if deemed appropriate and necessary be considered by the NRC, however this involves a less rigorous application of the procedures referred to in Stages 1 to 4 above.
- (c) Similarly, a less strict application of the procedures may also be applied to the nomination of candidates in respect of non-BNM regulated entities.
- (d) A flowchart of the above process is as enclosed.

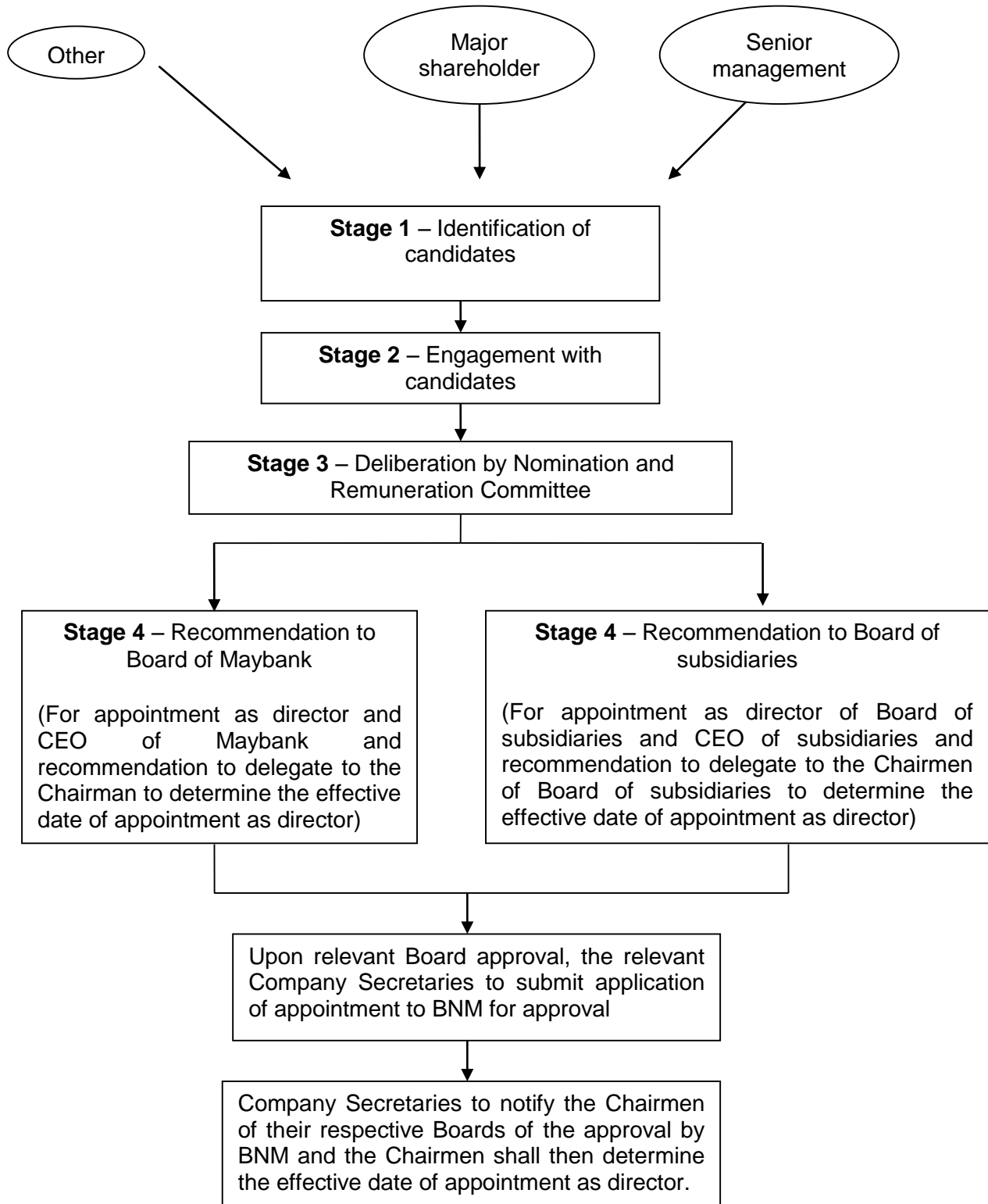
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**POLICY ON NOMINATION PROCESS FOR APPOINTMENT OF CHAIRMAN, DIRECTOR AND CHIEF EXECUTIVE OFFICER OF LICENSED INSTITUTIONS IN MAYBANK GROUP**

**FLOWCHART**

Various sources of identification of candidates:





## POLICY ON TENURE OF DIRECTORSHIP

### 1. Introduction

1.1 The Maybank Group's Policy on Tenure of Directorship (the "Policy") is applicable to Maybank and all its subsidiaries. The objectives of this Policy are as follows:-

- a) To have a specific Policy which streamlines the tenure of directorship for directors of Maybank Group of Companies;
- b) To ensure cascading of corporate governance principles in respect of limitation on tenure of directorship across Maybank Group;
- c) To promote good corporate governance practices so as to encourage dynamism in board memberships by encouraging innovative and fresh perspectives and new members being constantly introduced into the boardroom as well as ensuring a balanced mix of directors in terms of skills, qualification, experience and expertise; and
- d) To assist in ensuring better succession planning for directors in Maybank Group.

### 2. Limitation on Tenure of Directorship

#### 2.1 Non-Executive Directors

The tenure of all Non-Executive Directors ("NED") on the Board are subject to periodic evaluation and assessment of the Nomination and Remuneration Committee (the "NRC") and the final decision of the Board. In respect of the tenure approved by Bank Negara Malaysia ("BNM") for all NEDs ("BNM Approved Tenure"), the Board upon due consideration of the NRC's recommendation, shall have the discretion to either seek BNM's approval for a further extension of an NED's BNM Approved Tenure or to request for the latter to step down upon the expiry of the same, or at an earlier date, as deemed appropriate.

#### 2.2 Independent Non-Executive Directors

The tenure of Independent Non-Executive Directors ("INED") in particular is limited to upon completion of a cumulative period of nine (9) years commencing from the date on which he was first appointed as a Board member ("9-Year Tenure").

Upon completion of the 9-Year Tenure, an INED may subject to the NRC's recommendation and Board approval, continue to serve the Board provided that he is re-designated to an Non-Independent Non-Executive Director upon completion of his 9-Year Tenure on the Board.

### 3. PREVAILING PROVISIONS

3.1 The provisions in relation to tenure of directorships in the FAP Policy and the Director Independence Policy must be read together with this Policy. In the event of any inconsistencies between the provisions of the FAP Policy and the Director Independence Policy, the provisions of this Policy shall prevail.

3.2 This Policy may be reviewed and amended from time to time to be consistent with changes in laws, guidelines and/or regulatory requirements relating to tenure of directorship.

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Revised: 25 January 2018 (as approved by Maybank Board)

# Maybank Group Policy on Related Party Transactions

Version no: 1.0

Approval by: Group Board

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**APPENDIX 1:** List of Related Parties of Maybank Group

**APPENDIX 2:** Directors and Major Shareholders' Declaration Form

**APPENDIX 3:** Matters to be included in RPT paper

**APPENDIX 4:** Flowchart of RPT procedures and processes

**APPENDIX 5:** Governance Processes

## LIST OF DEFINITIONS

The table below sets out the definitions used throughout this Policy:

Term	Definition
ACB	Audit Committee of the Board.
BNM	Bank Negara Malaysia.
Board	Board of Directors.
Bursa	Bursa Malaysia Securities Berhad.
BU	All Business and Support Units of Maybank and its Subsidiaries, including cost centres/enabling units seeking to enter into contract/agreement with a counter-party on behalf of Maybank and its Subsidiaries.
CEO	Chief Executive Officer or principal executive officer of Maybank and/or its Subsidiaries for the time being, by whatever name called, and whether or not he is a director.
CA	Companies Act 2016, as may be amended, varied or supplemented from time to time.
CP Policy	Maybank Group Policy on Credit Transactions and Exposures with Connected Parties, as may be amended, varied or supplemented from time to time.
Director	<p>Shall have the same meaning assigned to it in the CA, and includes a reference to:</p> <ul style="list-style-type: none"> <li>(a) a person occupying or acting in the position of director of Maybank or its Subsidiaries, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in the position;</li> <li>(b) a person in accordance with whose directions or instructions the majority of directors of Maybank or its Subsidiaries are accustomed to act;</li> <li>(c) an alternate or substitute director; or</li> <li>(d) in the case of a foreign subsidiary:- <ul style="list-style-type: none"> <li>(i) a member of the said foreign subsidiary's board of directors or governing body;</li> <li>(ii) a person occupying or acting in the position of a member of said foreign subsidiary's board, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in the position; or</li> </ul> </li> </ul>

	<p>(iii) a person in accordance with whose directions or instructions the members of the said foreign subsidiary's board is accustomed to act;</p> <p>and includes any person who is or was within the preceding six (6) months of the date on which the terms of the RPT were agreed upon:</p> <p>a) a director of Maybank or its Subsidiaries (as defined above); and b) a CEO of Maybank or its Subsidiaries.</p>
Etiqua SOP Manual	Etiqua Related Party Disclosures SOP Manual, as may be amended, varied or supplemented from time to time.
GCLS	Group Corporate & Legal Services.
Major Shareholder	<p>A person who has an interest in shares in Maybank or its Subsidiaries, and the number or aggregate number of those shares, is -</p> <p>a) 10% or more of the total number of voting shares; or b) 5% or more of the total number of voting shares where such person is the largest shareholder</p> <p>and includes any person who is or was within the preceding six (6) months of the date on which the terms of the RPT were agreed upon, a Major Shareholder of Maybank or its Subsidiaries.</p> <p>For the purpose of this definition, "interest" shall have the meaning as "interest in shares" given in section 8 of the CA.</p>
Management	Group Executive Committee.
Maybank/Bank	Malayan Banking Berhad.
Maybank Group	Maybank and its Subsidiaries.
MMLR	Main Market Listing Requirements as amended, varied or supplemented from time to time.
Percentage Ratio	<p>The figures, expressed as a percentage, resulting from each of the following calculations:</p> <p>a) The value of the assets which are the subject matter of the transaction, compared with the net assets of Maybank Group; b) Net profits of the assets which are the subject matter of the transaction compared with the net profits attributable to the owners of Maybank Group (before other comprehensive income or loss); c) The aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of Maybank Group;</p>



	<p>d) The number of shares issued by Maybank as consideration for an acquisition, compared with the total number of shares previously in issue (excluding treasury shares);</p> <p>e) The aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of Maybank (excluding treasury shares);</p> <p>f) The total assets which are the subject matter of the transaction, compared with the total assets of Maybank Group;</p> <p>g) In respect of joint ventures, business transactions or arrangements, the total project cost attributable to Maybank Group compared with the total assets of Maybank Group or in the case where a joint venture company is incorporated as a result of the joint venture, the total equity participation of Maybank Group in the joint venture corporation (based on the eventual issued capital of the joint venture corporation), compared with the net assets of Maybank Group. The value of the transaction should include shareholders' loans and guarantees to be given by Maybank Group; or</p> <p>h) The aggregate original cost of investment of the subject matter of the transaction divided by the net assets of Maybank Group, in the case of a disposal and where the acquisition of the subject matter took place within last five (5) years.</p> <p>Total assets, net assets and net profits of Maybank Group refer to the same as per the latest published audited consolidated financial statements of Maybank Group.</p>
Persons Connected	<p>In relation to a Director or Major Shareholder, such person who falls under any one of the following categories:</p> <p>a) a family member<sup>1</sup> of the Director or Major Shareholder;</p> <p>b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director or Major Shareholder's family is the sole beneficiary;</p> <p>c) a partner<sup>2</sup> of the Director or Major Shareholder;</p> <p>d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with</p>

<sup>1</sup> Means (a) spouse, (b) parent, (c) child including an adopted child and step-child, (d) brother or sister; and (e) spouse of the person referred to in items (c) and (d).

<sup>2</sup> Means (a) a person with whom any of the Directors is in or proposes to enter into partnership with pursuant to the Partnership Act 1961 or Limited Liability Partnerships Act 2012; or (b) a person with whom any of the Directors or Major Shareholders has entered into or proposes to enter into a joint venture, whether incorporated or not.

	<p>the directions, instructions or wishes of the Director or Major Shareholder;</p> <p>e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;</p> <p>f) a body corporate in which the Director or Major Shareholder or persons connected with them are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or</p> <p>g) a body corporate which is a related corporation<sup>3</sup> of the Major Shareholder.</p>
Policy	Maybank Group Policy on Related Party Transactions as may be amended, varied or supplemented from time to time.
Related Party	As described under paragraph 2.1.1 of this Policy.
Related Party Transaction/ RPT	The transaction as described under paragraph 2.2 of this Policy.
Recurrent Related Party Transaction/ RRPT	The transaction as described under paragraph 2.2 of this Policy.
RPT Aggregation Rule	<p>Where separate RPTs may be aggregated and be treated as if they were <u>one transaction</u> if the terms of such transactions were agreed upon within a period of twelve (12) months in the following circumstances:</p> <p>(a) transactions entered into with the same party or with parties connected with one another;</p> <p>(b) transactions involving the acquisition or disposal of securities or interests in one particular corporation /asset; or</p> <p>(c) transactions involving the acquisition or disposal of various parcels of land contiguous to each other<sup>4</sup>.</p>
Subsidiary(ies)	Any entity described under Section 4 of the CA and includes foreign subsidiaries of Maybank which fit the description.

<sup>3</sup> A 'related corporation' is a corporation which is:

- (a) the holding company of another corporation;
- (b) a subsidiary of another corporation; or
- (c) a subsidiary of the holding company of another corporation.

<sup>4</sup> The principles of aggregation are provided in Chapter 10 of the MMLR, details of which shall be referred to by GLCS as part of the review process as described in paragraph 4 of this Policy.

## 1.0 INTRODUCTION

The primary obligation of the Board and Management is to act in the best interests of Maybank and its shareholders. As a public listed company, Maybank is also required to comply with the MMLR requirements issued by Bursa when dealing with RPTs. This is in addition to the regulations imposed by other regulators on this subject matter, such as the BNM Guidelines on Credit Transactions and Exposures with Connected Parties which governs the credit transactions undertaken by the Bank.

For this reason, the Policy aims to ensure that all RPTs are conducted in an independent, fair, reasonable manner and on normal commercial terms, and do not result in a compromise of responsibility owed by the Board and Management to its shareholders in accordance with the requirements set out under the MMLR.

This Policy regulates, among others, disclosures by the Board and Management of circumstances and transactions that may give rise to situations of conflict as well as the proper conduct of the Board and Management in carrying out their responsibilities when transacting with Related Parties pursuant to the requirements under the MMLR.

In this regard, it is pertinent for Maybank Group to ascertain whether the parties that it has any transaction or arrangement with are Related Parties before any transactions take place. All RPTs are to be undertaken on terms that are in the best interest of Maybank Group, fair and reasonable, on normal commercial terms that are not more favourable to the Related Party than those generally available to the public and are not detrimental to the interest of the minority shareholders.

### 1.1 Objectives of the Policy

This Policy is established to govern all RPTs to be entered into by Maybank Group in accordance with the provisions of Chapter 10, Part E of the MMLR.

The primary objectives of this Policy are as follows:

- To provide guidance to all BUs on the requirements and procedures to be adhered to before they enter into any RPTs; and
- To establish key roles and responsibilities which relevant stakeholders within Maybank Group must undertake for the proper management and monitoring of such RPTs.

This Policy is not intended to be exhaustive or a substitute for common sense. Sound judgment is to be exercised in the course of the assessment.

This Policy is owned by GCLS and shall be reviewed on a yearly basis or as and when necessary to meet operational and/or legal/regulatory requirements.

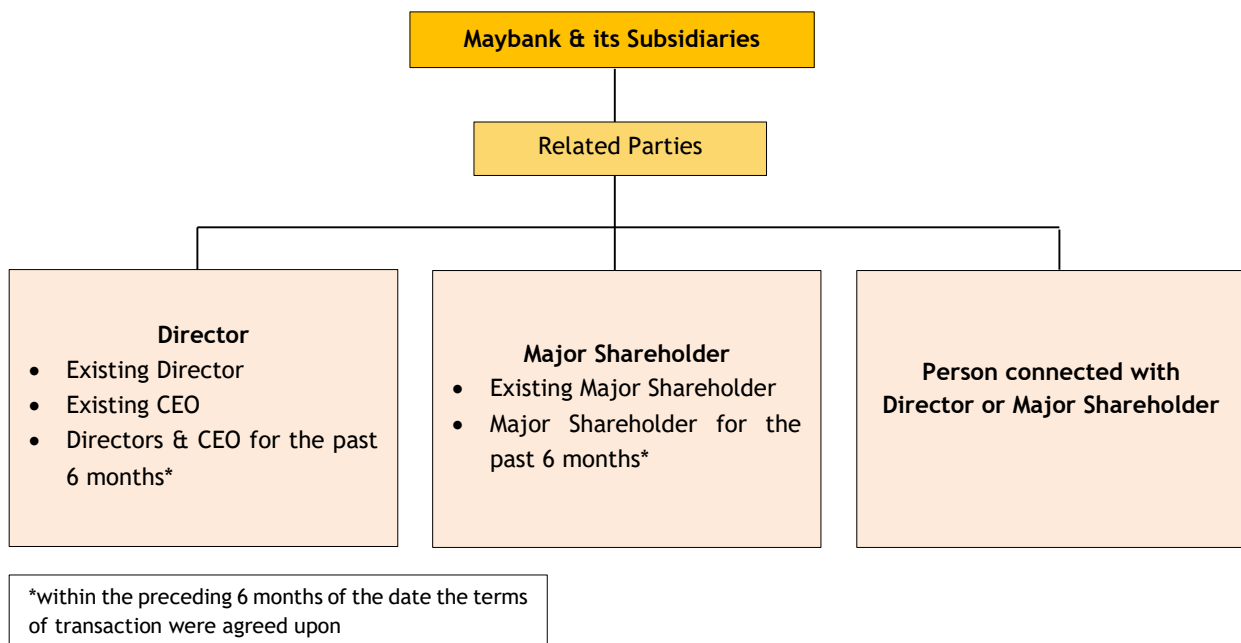
## 2.0 SCOPE OF THE POLICY

The scope of this Policy encompasses all RPTs to be entered into by Maybank and its Subsidiaries.

All BUs are to adhere to and comply with the requirements/ guidelines set under this Policy at all times.

### 2.1 Related Party

2.1.1 A Related Party is a Director or Major Shareholder of Maybank or its Subsidiaries or Persons Connected to such Director or Major Shareholder. An illustration is provided below:



For ease of reference, a list of Related Parties is attached to this Policy as [Appendix 1](#) (“the RP List”).

2.1.2 The RP list is not exhaustive, and is subject to review to be conducted by GCLS on an annual basis or as and when required based on the information that is available/made available to GCLS, which includes:

- Declarations made by Directors and Major Shareholders of Maybank Group; and
- Company or Directorship searches with company registries, annual reports or other information that are publicly available.

A copy of the Directors and Major Shareholders' declaration form is attached to this Policy as [Appendix 2](#).

- 2.1.3 All BUs are required to provide GCLS updated information on Related Parties or any changes thereto as soon as they are aware of such information or when such information is made available to them.

## 2.2 Related Party Transaction

- 2.2.1 RPT (including RRPTs) is a transaction entered into by Maybank or its Subsidiaries which involves the interest<sup>5</sup>, direct or indirect, of a Related Party.

- 2.2.2 RRPTs are recurrent RPTs entered into by Maybank or its Subsidiaries which involve the interest, direct or indirect, of a Related Party:

- a) which has been made or will be made by Maybank or its Subsidiaries at least once in three (3) years in the course of its business;
- b) is of a revenue/trading nature and contributes directly or indirectly to the generation of Maybank or its Subsidiaries' revenue; and
- c) is necessary for the day-to-day operations of Maybank or its Subsidiaries.

- 2.2.3 'Transaction' includes the following:

- a) the acquisition, disposal or leasing of assets;
- b) the establishment of joint ventures;
- c) the provision of financial assistance;
- d) the provision or receipt of services; or
- e) any business transaction or arrangement entered into;

by Maybank or its Subsidiaries.

- 2.2.4 However, the transactions described above are **excluded** from this Policy if such transactions are:

- a) entered into between Maybank and its wholly-owned Subsidiary;
- b) entered into between any of Maybank's wholly-owned Subsidiary and another wholly-owned Subsidiary;
- c) governed by the CP Policy or Etiqa SOP Manual<sup>6</sup>; or
- d) as set out in paragraph 10.08(11) of Chapter 10 of the MMLR and paragraphs 3.2, 3.3 and 3.4 of the Practice Note on RRPT issued by Bursa.

Hereinafter collectively referred to as "Excluded RPT".

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<sup>5</sup> Pursuant to the FAQ 10.5 to the MMLR, interest includes directorships, shareholdings (direct or deemed), commissions or such other benefits received or derived from the transaction.

<sup>6</sup> In relation to Etiqa SOP Manual, Insurance & Takaful businesses conducted outside the ordinary course of business are also governed under this Policy.

### 3.0 OBLIGATIONS OF BUs

3.1 The following are the steps to be undertaken by all BUs if a transaction falls within the scope of this Policy:

**Step 1**      **Identification of Counter-Party**

Prior to entering into a transaction, BUs are required to refer to the RP List to determine whether they are transacting or entering into any arrangement with a Related Party or whether the transaction will involve the interest of a Related Party. Where the counter-party is not a Related Party or the transaction does not involve the interest of a Related Party, BUs may proceed further without reference to this Policy.

**Step 2**      **Transaction or arrangement with a Related Party**

If BUs are transacting or entering into any arrangement with a Related Party or if the transaction involves the interest of a Related Party, they are required to refer the proposed transaction or arrangement to GCLS for further review and advice. All referrals of proposed transactions or arrangement to GCLS should include the material terms of the transactions or arrangement proposed to be entered into with the Related Party.

**Step 3**      **Review of Proposed Transactions or Arrangement**

Upon referral of the proposed transaction or arrangement to GCLS, the latter will conduct a review, details of which are set out in paragraph 4 of this Policy.

**Step 4**      **Submission of papers for Review and Approval**

Pursuant to GCLS' advice, BUs shall prepare and submit papers on the proposed transaction or arrangement to be entered into with a Related Party for tabling to the ACB of Maybank and/or its Subsidiaries for review, and thereafter to the Board of Maybank and/or its Subsidiaries for its information or approval, as the case may be.

Matters to be included in the papers to be submitted to the ACB and Board of Maybank and/or the Subsidiaries are summarised in [Appendix 3](#) of this Policy.

**Step 5**      **ACB and Board Meetings**

BUs shall be present at the relevant ACB and Board meeting to present and provide further information on the RPT.

**Step 6**      **Post meeting**

If announcement is required:

- a) BUs shall assist with the preparation of a draft announcement for GCLS' review.
- b) BUs shall also ensure the execution of the transaction is undertaken simultaneously with or no earlier than the finalisation and approval of the announcement so that the announcement can be made immediately upon the execution of the agreement.

If shareholders' approval is required, BUs shall work together with GCLS (including appointed advisors, if necessary) for the preparation of circulars to be issued to the shareholders prior to the convening of general meeting.

BUs shall also monitor the development of the transaction and ensure relevant announcement is made in the event that there are any changes or updates in relation to the transaction.

The procedures and processes to be observed by BUs are illustrated in a flowchart as set out in [Appendix 4](#) of this Policy.

The governance process to be observed by Maybank & its Subsidiaries are set out in [Appendix 5](#) of this Policy.

## 4.0 Review by GCLS

4.1 Once a proposed transaction or arrangement has been referred to GCLS pursuant to paragraph 3 above, GCLS shall undertake the following:-

4.1.1 To consider and determine whether:-

- a) the BU is transacting or entering into an arrangement with Related Party or the transaction involves the interest of a Related Party;
- b) the transaction proposed to be entered into is an Excluded RPT; and
- c) the transaction is an RPT per Chapter 10 of the MMLR;

4.1.2 To advise BUs on the following processes and procedures which BUs need to undertake before entering into a proposed transaction with a Related Party:-

- a) referring the proposed transaction or arrangement to the ACB for review and recommendation;
- b) seeking approval from the Board, pursuant to the ACB's recommendation;
- c) making relevant announcement to Bursa relating to the proposed transaction, if required;
- d) seeking approval from Maybank's shareholders in respect of the proposed transaction, if required;
- e) advising BUs on the contents of the papers which they will need to present to the ACB and the Board for review and subsequent approval in respect of the proposed transaction, as well as in respect of the contents of the announcement to be made to Bursa and the circular to be issued to the shareholders, if required;
- f) advising BUs to engage external advisor in relation to the proposed transaction, if required; and
- g) convening general meeting to obtain the necessary shareholders' approval as required under this Policy.

## 5.0 OBLIGATIONS UNDER THE MMLR

5.1 The information to be provided to GCLS for their review (per paragraph 4 above) includes the following:-

- a) Descriptions and material terms of the transaction;
- b) Details of the parties to the transaction and the Related Party with their identification/ passport no (individual) or business registration no (corporate entity) and their relationships;
- c) Period of the transaction, if applicable;



- d) Mode of payment/ settlement or period of settlement; and
- e) Estimated value of the said transaction (“Transaction Value”).

In accordance with Chapter 10 of the MMLR, the Transaction Value under paragraph 5.1(e) above is required by GCLS to calculate the Percentage Ratio of the transaction in question. In the case where BUs during the course of negotiations, are not able to conclusively determine the Transaction Value, an estimate of the Transaction Value would suffice.

5.2 Thereafter GCLS together with the BUs, shall conduct an evaluation on the proposed transaction or arrangement, which includes:

- a) Determining whether the said transaction is an Excluded RPT;
- b) Consulting Group Financial Reporting to compute the Percentage Ratio of the proposed transaction;
- c) Considering whether the RPT Aggregation Rule would apply to determine the disclosure and approval obligations in accordance with the MMLR.

## RPT

5.3 In relation to RPTs, the following actions shall be undertaken if any of the Percentage Ratios for the RPT are triggered (“Announcement Threshold”) set out below:

Percentage Ratio	Actions to be taken
0.25% or more and value of consideration is RM500,000 or more	: To announce the transaction or arrangement to Bursa as soon as possible after the terms of the transaction have been agreed upon and upon approval of the Board of Maybank (“Immediate Announcement”) <sup>7</sup> .
5% or more and value of consideration is RM500,000 or more	: <ul style="list-style-type: none"> <li>• Immediate Announcement;</li> <li>• To issue circular<sup>8</sup> to shareholders upon clearance by Bursa;</li> <li>• To seek shareholders’ approval in general meeting; and</li> <li>• To appoint an independent adviser<sup>9</sup> before the terms of the RPT are agreed upon.</li> </ul>

<sup>7</sup> Please refer to the content set out in Appendices 10A and 10C of Chapter 10 of the MMLR.

<sup>8</sup> Please refer to the content set out in Appendices 10B and 10D.

<sup>9</sup> An independent adviser who is corporate finance adviser within the meaning of the Securities Commission’s Principal Adviser Guidelines.

25% or more and value of consideration is RM500,000 or more	:	<ul style="list-style-type: none"> <li>• All of the above; and</li> <li>• To appoint a principal adviser before the terms of the transaction are agreed upon.</li> </ul>
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## RRPT

- 5.4 If a transaction or arrangement is deemed to be a RRPT, an immediate announcement is required to be made to Bursa if the Percentage Ratio of such RRPT is 1% or more<sup>10</sup>. In addition to the announcement obligation, shareholder's approval would be required for RRPTs if any one of the Percentage Ratios is 5% or more.
- 5.5 Alternatively, shareholders' mandate may be sought during a general meeting of Maybank, subject to the fulfilment of requirements set out under paragraph 10.09 of Chapter 10 of the MMLR ("Mandate"). Where a Mandate has been obtained, the requirements under paragraph 5.4 above will not apply for RRPTs which are comprised in the Mandate.
- 5.6 The RRPTs included in the Mandate are to be continuously managed and monitored by the relevant BUs to ensure that all RRPTs entered into:-
- a) Are within the Mandate; and
  - b) The limits approved under the Mandate have not been breached and if so breached, to notify GCLS for further advice. An immediate announcement is required to be made to Bursa if the actual value of the RRPT exceeds 10% or more of the limits approved under the Mandate.
- 5.7 All contemplated RRPTs which are not within the Mandate (if such mandate has been obtained), must be reviewed by the ACB and approved by the Board before the transactions are entered into. In addition, where announcement is required per paragraphs 5.4 and 5.6(b) above, GCLS shall ensure that the relevant announcement is made in accordance with the MMLR. The ACB shall be notified on a half yearly basis of all RRPTs that are entered into pursuant to the Mandate. The breakdown of the aggregate value of RRPTs conducted pursuant to the Mandate shall be disclosed in the Bank's annual report<sup>11</sup>.
- 5.8 BUs shall coordinate with GCLS to implement the actions set out above.

<sup>10</sup> This is subject to the RPT Aggregation Rule.

<sup>11</sup> Paragraph 3.1.5 of Practice Note ("PN") 12 of MMLR

## **6.0 ROLES & RESPONSIBILITIES**

### **6.1 Role of the ACB**

6.1.1 The role of the ACB is to assist the Board in ensuring that all RPTs entered into by Maybank and its Subsidiaries are made on arms' length basis and to consider, if deemed appropriate, to recommend the transaction to be undertaken by Maybank Group in accordance with the MMLR.

6.1.2 The ACB is responsible to review and consider RPTs to be undertaken. During the review, the ACB should consider, among others whether the transaction is:

- a) in the best interest of Maybank Group;
- b) fair, reasonable and on normal commercial terms; and
- c) not detrimental to the interest of the minority shareholders of Maybank Group.

6.1.3 In forming such views, the following considerations may serve as guidance:

- a) What benefits the interested party will derive from the transaction?
- b) Is the consideration for the transaction on arm's length basis?
- c) Are the terms of the transaction fair to Maybank or its Subsidiaries?
- d) Are there any business reasons for Maybank or its Subsidiaries to enter into the transaction with the Related Party and not a third party?

6.1.4 The ACB is to ensure that Maybank Group has in place adequate procedures and processes to monitor, track and identify RPTs in a timely and orderly manner, and the frequency of review of these procedures and processes<sup>12</sup>.

### **6.2 Role of the Board**

6.2.1 The role of the Board is to approve and/or recommend to shareholders (as the case may be) all RPTs to be entered into by Maybank or its Subsidiaries after taking into account the ACB's recommendations. The Board has the discretion to depart from the ACB's recommendations in deciding whether or not to approve such a transaction in the best interest of Maybank or its Subsidiaries.

6.2.2 If an announcement of the proposed RPT is required to be made pursuant to the provisions of the MMLR, the Board shall approve the contents of the announcement prior to release.

6.2.3 If a meeting of the shareholders of Maybank is required to be convened to approve the proposed RPT, the Board shall approve the contents of the circular to be issued to the shareholders and the notice to convene such meeting.

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<sup>12</sup> Annexure PN12-A of PN12 of MMLR

## Conflict of interest

- 6.2.4 Members of the ACB and/or the Board who have interest, direct or indirect ('Interested Director') in any RPT must abstain from deliberation and voting on the relevant resolution in respect of the RPT. Such interest shall be recorded in the minutes of the ACB and Board meetings.
- 6.2.5 An Interested Director must inform the ACB and/or the Board, the details of the nature and extent of his interest, including all matters in relation to the proposed RPT that he is aware or should reasonably be aware of which is not in the best interest of Maybank or its Subsidiary, as the case may be.
- 6.2.6 Where it involves the interest of Persons Connected with the Director, the Director must ensure that the Person Connected with him also abstains from voting on the resolution approving the transaction (if such person is also a shareholder of Maybank) at the meeting of shareholders (if applicable).

## 7.0 ROLES & RESPONSIBILITIES OF RELEVANT UNITS

- 7.1 In addition to the obligations set out above, the specific roles and responsibility of the relevant units are as follows:

Role	Responsibility
GCLS	<ul style="list-style-type: none"> <li>a) To review/update the Policy and ensure alignment of the same with regulatory developments;</li> <li>b) To coordinate the implementation of this Policy;</li> <li>c) To establish, maintain and monitor the RP List and Register of RPT; and</li> <li>d) To facilitate the reporting of RPT submitted by all Subsidiaries to the ACB and Board of Maybank on a quarterly basis.</li> </ul>
Subsidiary Corporate Secretarial Units	<ul style="list-style-type: none"> <li>a) To report all RPTs tabled at their respective ACB and Board to GCLS for reporting to the ACB and Board of Maybank on a quarterly basis; and</li> <li>b) To provide GCLS with updated information on Related Parties of their respective entities.</li> </ul>
Group Compliance	To report to the Board on any non-compliance with the Policy and/or regulations.

Group Audit	To conduct review on the adequacy of the procedures set out in the Policy.
Business Units	<ul style="list-style-type: none"> <li>a) To ensure that their obligations under the Policy are adhered to at all times, when undertaking RPTs;</li> <li>b) To update the ACB of Maybank on all RRPTs on a half-yearly basis;</li> <li>c) To immediately notify GCLS in the event that the aggregated value of the RRPT reaches 90% of the estimated value of the Mandate at any point of time.</li> </ul>
Group Financial Reporting	To provide the necessary financial information to assist the BUs and GCLS in the computation of Percentage Ratio and principles of aggregation in determining the disclosure and approval obligations under the MMLR, where necessary.
All staffs	To ensure compliance of the Policy and to report to Group Compliance on any breach or potential breach of the Policy.

## HELP DESK

Queries or clarifications related to this Policy can be escalated to Group Corporate Secretarial.

## APPENDIX 1: List of Related Parties of Maybank Group

- (a) All Directors<sup>13</sup> of Maybank and its Subsidiaries;
- (b) The chief executive<sup>14</sup> of Maybank and its Subsidiaries (CEO);
- (c) Major Shareholder<sup>15</sup> of Maybank and its Subsidiaries;
- (d) Persons connected to the abovementioned related parties:
  - i. A family member<sup>16</sup> of any of the Directors or the CEO or Major Shareholder<sup>17</sup>;
  - ii. A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which any of the Directors, the CEO, Major Shareholders or a family member of the Directors or CEO or the Major Shareholder<sup>18</sup>, is the sole beneficiary;
  - iii. A partner<sup>19</sup> of any of the Directors, the CEO, Major Shareholders;
  - iv. A person (or where the person is a body corporate, the body corporate or its directors) who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any of the Directors, the CEO, or Major Shareholders;
  - v. A person (or where the person is a body corporate, the body corporate or its directors) in accordance with whose directions, instructions or wishes any of the Directors, the CEO, or Major Shareholders is accustomed or is under an obligation, whether formal or informal, to act;
  - vi. A body corporate in which any of the Directors, the CEO, Major Shareholders, or persons connected with them are entitled to exercise (or control the exercise of) not less than 20% of the votes attached to voting shares in the body corporate; or
  - vii. A body corporate which is a related corporation of a Major Shareholder.

### Note:

**Kindly refer to Group Corporate Secretarial to determine whether the counter party is a Related Party.**

<sup>13</sup> including any person who was a director within the preceding 6 months of the date the terms of the transaction were agreed upon.

<sup>14</sup> including any person who was a chief executive within the preceding 6 months of the date the terms of the transaction were agreed upon.

<sup>15</sup> including major shareholder for the past 6 months.

<sup>16</sup> means (a) spouse, (b) parent, (c) child, including an adopted child and step-child, (d) brother or sister; and (e) spouse of the person referred to in items (c) and (d).

<sup>17</sup> in the event the Major Shareholder is an individual.

<sup>18</sup> in the event the Major Shareholder is an individual.

<sup>19</sup> means (a) a person with whom any of the Directors or CEO or Major Shareholder is in or proposes to enter into partnership with pursuant to the Partnership Act 1961 or Limited Liability Partnerships Act 2012; or (b) a person with whom any of the Directors, CEO, or Major Shareholder has entered into or proposes to enter into a joint venture, whether incorporated or not.

**APPENDIX 2**

**DECLARATION FORM ON PERSONS CONNECTED TO DIRECTOR/  
CHIEF EXECUTIVE OFFICER (CEO)**

Name of Director/CEO: \_\_\_\_\_

ID/Passport No. of Director/CEO: \_\_\_\_\_

**PART A**
**LIST OF CORPORATIONS IN WHICH DIRECTOR/ CEO IS A DIRECTOR**
**Listed Corporations**

Name & Registration No.	Position

**Non-Listed Corporations/ Partnership/ Firms/ Other Legal Entities**

Name & Registration No.	Position

**LIST OF CORPORATIONS IN WHICH DIRECTOR/ CEO HAS SHAREHOLDING OTHER THAN VIA  
MAYBANK**

Name & Registration No.	Shareholding (%)

**PART B**
**LIST OF PERSONS CONNECTED TO DIRECTOR/ CEO**

<b>CATEGORIES</b>		
<b>(a) Family Members/ Close Relatives</b>	<b>Name &amp; ID/ Passport No. of Persons Connected (PC)</b>	<b>Name and Registration No. of Corporations in which PC holds 10% or more shareholdings and Percentage of Shareholdings</b>
Parents		
Spouse		
Children (Adopted & Stepchild)		
Spouse of Children (Adopted & Stepchild)		
Siblings		
Spouse of Siblings		
Dependent* of Director or his/ her Spouse  * Any person who is financially dependent on the individual or his spouse for his livelihood e.g. a person who receives financial assistance on a regular basis from the individual / spouse		
<b>(b) A trustee of a trust (other than a share scheme for employees or pension scheme) under which the director/ CEO or a family member of the director/ CEO the sole beneficiary</b>		
<b>(c) A partner of the director/ CEO (to include partnerships/ joint ventures of which the director/CEO is a partner/party and names of other partners/parties of the said partnerships/joint ventures)</b>		



<p>(d) A person (or a body corporate) who is accustomed or obliged (formal/ informal) to act in accordance with the directions/ instructions/ wishes of the director/ CEO)</p>		
<p>(e) A person (or a body corporate) in accordance with whose directions/ instructions/ wishes the director/CEO is accustomed or obliged (formal/ informal) to act</p>		
<p>(f) A body corporate in which the persons connected to director/ CEO controls not less than 20% voting shares in the body corporate</p>		

I hereby declare and confirm that all the information given by me as above is true and correct.

\_\_\_\_\_  
(Signature)

Name:

Date:

**APPENDIX 2**
**DECLARATION FORM ON PERSONS CONNECTED TO MAJOR SHAREHOLDER**

 Name of Major Shareholder<sup>20</sup> (“MS”): \_\_\_\_\_

ID/Passport/Registration No.: \_\_\_\_\_

**PART A**
**LIST OF CORPORATIONS IN WHICH MS HAS SHAREHOLDING OF 10% OR MORE OTHER THAN VIA MAYBANK**

Name & Registration No.	Shareholding (%) [10% or more]

**PART B**
**LIST OF PERSONS CONNECTED (“PC”) TO MS**

CATEGORIES		
<b>(a) Family Members/ Close Relatives*</b>  <small>* Only applicable to MS who is an individual</small>	<b>Name and ID/Passport No. of Persons Connected (PC)</b>	<b>Name and Registration No. of Corporations in which PC holds 10% or more shareholdings and Percentage of Shareholdings</b>
Parents		
Spouse		
Children (Adopted & Stepchild)		
Spouse of Children (Adopted & Stepchild)		
Siblings		
Spouse of Siblings		

<sup>20</sup> Major Shareholder and Major Shareholder for the past 6 months with 10% or more of the total number of voting shares in Maybank

<p>Dependent** of Director or his/ her Spouse</p> <p>** Any person who is financially dependent on the individual or his spouse for his livelihood e.g. a person who receives financial assistance on a regular basis from the individual / spouse</p>		
<p><b>(b) A trustee of a trust (other than a share scheme for employees or pension scheme) under which the MS or a family member of the MS the sole beneficiary.</b></p>		
<p><b>(c) A partner of the MS. (to include partnerships and joint ventures of which the MS is a partner/party and names of other partners/parties of the said partnerships/joint ventures).</b></p>		
<p><b>(d) A person (or a body corporate) who is accustomed or obliged (formal/ informal) to act in accordance with the directions/ instructions/ wishes of the MS.</b></p>		
<p><b>(e) A person (or a body corporate) in accordance with whose directions/ instructions/ wishes the MS is accustomed or obliged (formal/informal), to act.</b></p>		
<p><b>(f) A body corporate in which the persons connected to MS controls not less than 20% voting shares in the body corporate.</b></p>		
<p><b>(g) Body corporate which is a related Corporation (i.e. holding company/ subsidiaries/ subsidiary of the holding company) of the MS.</b></p>		

I hereby declare and confirm that all the information given by me as above is true and correct.

\_\_\_\_\_  
(Signature)

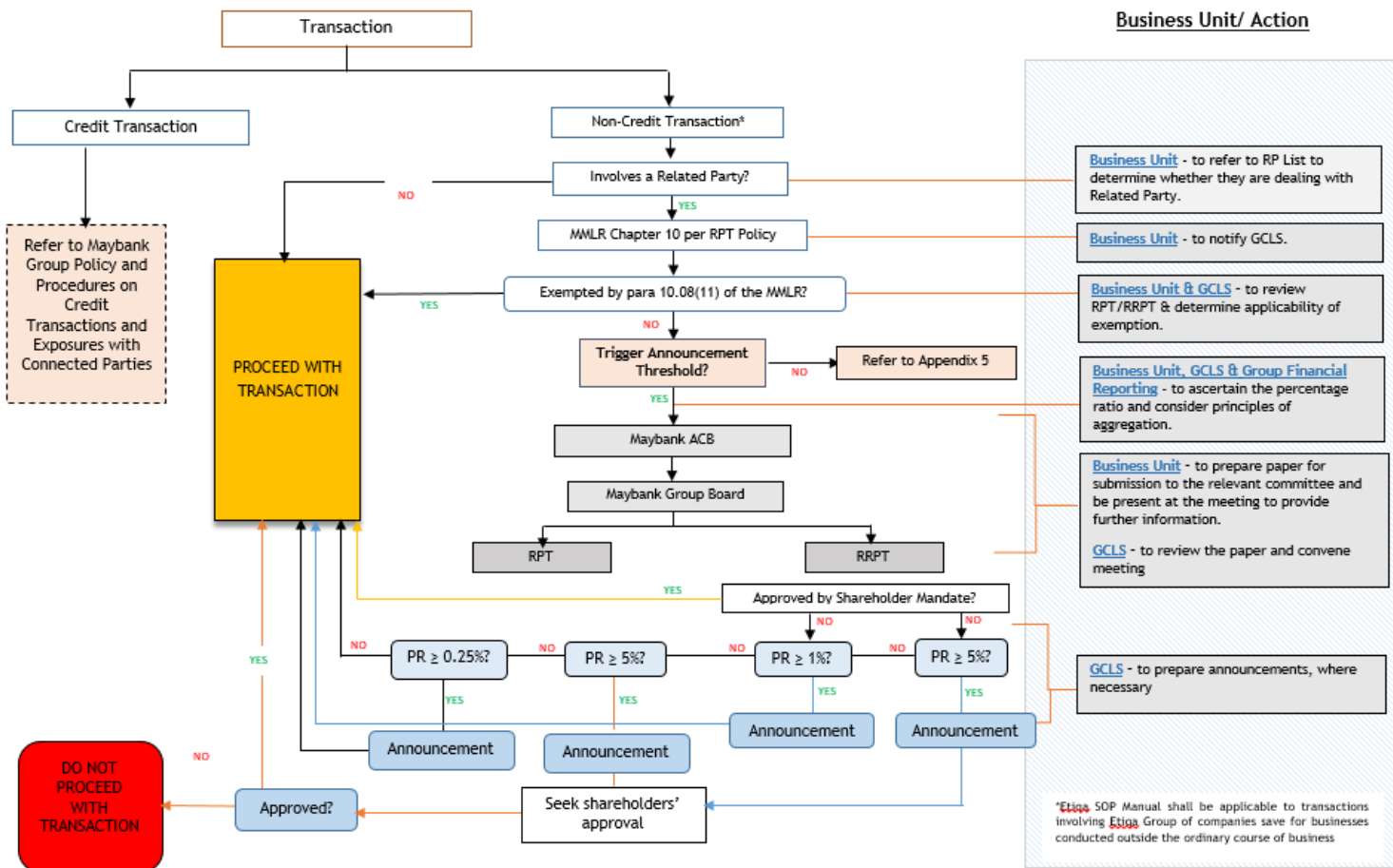
Name:

Date:

### APPENDIX 3: Matters to be included in RPT paper

1. A description and material terms of the transaction.
2. Parties to the transaction including who the Related Party is and the relationship involved.
3. Whether similar transaction was entered into in the past twelve (12) months.
4. Relevant details of the transaction including value and percentage ratio.
5. The nature of the transaction including an explanation of the interests of the relevant party and if it is an RRPT, how the transaction meets the relevant criteria.
6. Whether advisers are to be appointed.
7. Whether any other approvals are required.
8. Whether any announcement to Bursa is required.
9. Rationale for the transaction and benefit to Maybank or its Subsidiaries.
10. Comparative quotes, if available, including sources, methods and procedures on which transaction prices are determined.
11. In relation to the provision or supply of goods and services, justification as to why the transaction must be undertaken with the Related Party, for example that the services provided by a Related Party cannot be obtained elsewhere.
12. In relation to tenancies, if rental rates are supported by independent valuation, the report must be annexed and a statement on what the independent valuation is should be included.
13. An explanation of how arm's length basis was maintained during negotiations and ensuring terms were on a commercial basis.
14. An explanation of why the terms are considered fair and reasonable.
15. An explanation of why the transaction is considered in the best interests of Maybank or its Subsidiaries.
16. An explanation of why the terms are not detrimental to the minority shareholders.
17. If the transaction has gone through the usual tender process, to state so and the recommendation committee/ management.
18. Recommendation.

## APPENDIX 4: FLOWCHART ON RPT PROCESSES AND PROCEDURES



## APPENDIX 5: GOVERNANCE PROCESS

All RPTs shall be reviewed by the ACB of Maybank and/or the Subsidiaries and approved by the Board of Maybank and/or the Subsidiaries (as the case may be), in accordance with the governance process as follows:

1. All RPTs that trigger the Announcement Threshold<sup>21</sup> shall be reviewed by Maybank ACB and approved by the Maybank Board, irrespective of the parties involved.
2. For RPTs that do not trigger the Announcement Threshold:

- a. **Involving Maybank or its Related Parties**, shall be reviewed and approved in accordance with the authority limit (AL) as follows:

Category	Limit	Approving Authority
Expenses to Maybank	RM 50 Million	Per Non-Credit Discretionary Powers (NCDP) and Operational Write Off Policy
Others	RM 50 Million	Per AL assigned to the respective Management Committee

- b. **Between and involving a Subsidiary only**, shall be reviewed by the Subsidiary ACB and approved by the Subsidiary Board\*, subject to the AL of RM50 Million\*\*.

[Note:

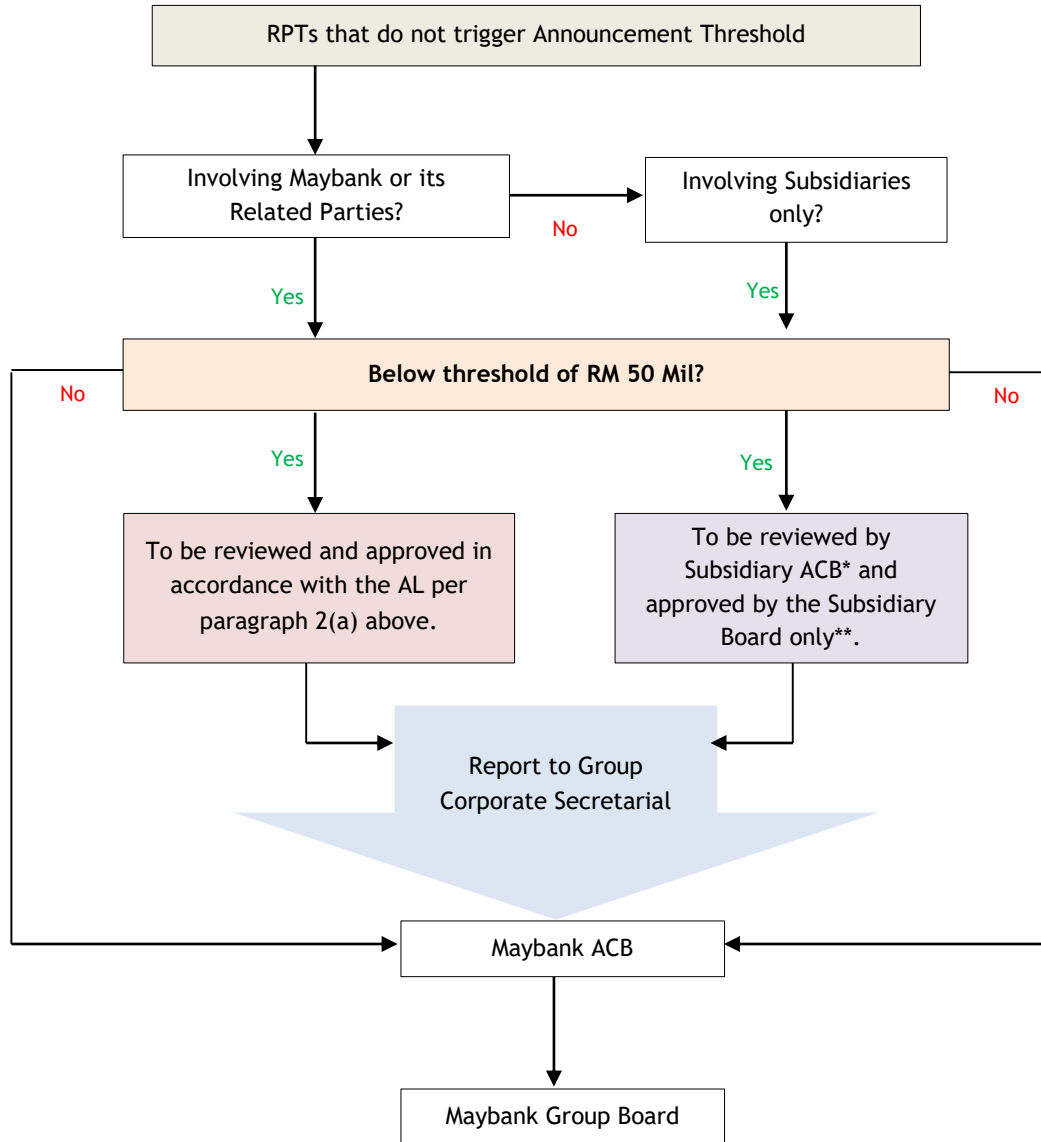
\* RPTs of Subsidiaries without ACB or Board shall be reviewed by the respective Subsidiaries' Holding Company's ACB and Board.

\*\* Subsidiary ACB and Board may determine the AL for review of RPTs below the RM 50 Million Threshold]

3. All RPTs reviewed and approved under paragraph 2 above, must be reported to Group Corporate Secretarial on a quarterly basis to be reported to the Maybank ACB and Board.

<sup>21</sup> refer to paragraph 5.3 of the Policy

**Process Flow**



\* Or the relevant Board Committee that reviews RPT.  
 \*\* Subsidiary ACB and Board may determine the authority limit for RPTs below the RM 50 Million Threshold

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# ETIQA Life and General Assurance Philippines (ELGAP) Anti-Bribery and Corruption Policy

**Version: 1.0**

**Procedure**

**Owner: Compliance**

**Last Annual Review: N/A**

**Last Updated: N/A**

**Effective Date: Dec 2020**

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## 1.0 OVERVIEW

- The reputational and financial risks of Maybank Group (referred to as the “Group”) and Etiqa Life and General Assurance Philippines. (ELGAP) being involved in or becoming a vehicle for Bribery and corruption are risks which ELGAP takes seriously and wishes to mitigate.
- Bribery and corruption if left uncurbed could restrict international trade, reduce investment, and affect the growth of local and global economies.
- The international community in recognition of the negative impact of corruption on all economies has enacted international agreements and domestic laws to help combat this.
- In the recent years, we have seen much development on global Anti-Bribery and Corruption (AB&C) legislation, and in particular the UK Bribery Act 2010 (“UKBA”) which came into effect on 1 July 2011.
- Internally, this has been encapsulated in the ELGAP’s Code of Ethics and Conduct and its core values which forms the guiding principles of staff actions. Hence, the ELGAP Anti-Bribery & Corruption Policy (“AB&C Policy” or “Policy”) is the overarching framework which codifies the various controls in internal policies such as the ELGAP’s Code of Ethics, ELGAP’s core values, vendor procurement while giving effect to Republic Act No. 3019 Anti-Graft and Corrupt Practices Act, global regulations and legislation, namely, Malaysian Anti-Corruption Commission Act (MACCA), the UKBA and Foreign Corrupt Practices Act 1977 (“FCPA”).

## 1.1 Definition of Terms

The table below outlines common terms used throughout this Policy:

Common Terms	Description
Bribery	<p>The Revised Penal Code of the Philippines (RPC) defines the kinds of bribery and prescribes penalties therefor. The RPC also provides who are considered public officers</p> <p>‘Direct bribery’ is committed by any public officer who shall agree to perform an act constituting a crime, in connection with the performance of his official duties in consideration of any offer, promise, gift or present received by such officer personally or through the mediation of another.</p> <p>Moreover, direct bribery is committed even if the gift was accepted by the officer in consideration of the execution of an act which does not constitute a crime, and whether or not the public officer accomplished such act.</p> <p>Direct bribery is also committed if the object for which the gift was received or promised was to make the public officer refrain from doing something which it was his official duty to do.</p> <p>‘Indirect bribery’ is committed by any public officer who shall accept gifts offered to him by reason of his office.</p> <p>A ‘public officer’ is any person who, by direct provision of the law,</p>

Common Terms	Description
	popular election or appointment by competent authority, shall take part in the performance of public functions in the Government of the Philippine Islands, or shall perform in said Government or in any of its branches public duties as an employee, agent, or subordinate official, of any rank or classes.
Corruption	<p>The RPC defines and penalizes ‘corruption of public officials’ which is committed by any person who shall have made the offers or promises or given the gifts or presents under circumstances that will make the public officer liable for direct bribery or indirect bribery.</p> <p>In addition to acts or omissions of public officers already penalized by existing law, primarily the RPC, the acts enumerated under Section 3 of RA3019 shall constitute corrupt practices of any public officer and are thereby declared to be unlawful.</p>
Public Official (PO)	<p>Section 2 of R.A. No 3019 defines Public Official as an elective and appointive official and employees, permanent or temporary whether in the classified or unclassified or exempt service receiving compensation, even nominal, from the government.</p> <p>Section 3 of MACCA defines it as any person who is a member, an officer, a staff or a servant of a public body, and includes a member of 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, and, where the public body is a corporation sole.</p>
Government	Includes the national government, the local governments, the government-owned and government controlled corporations, and all other instrumentalities or agencies of the Republic of the Philippines and their branches.
Receiving any gift	Includes the Act of accepting directly or indirectly a gift from a person other than a member of the public officer’s immediate family, in behalf of himself or of any other member of his family or relative within the fourth civil degree, either by consanguinity or affinity, even on occasion of a family celebration or national festivity like Christmas, of the value of the gift is under the circumstances manifestly excessive.
Facilitation Payments or “grease payments”	Small bribes or unofficial payments made to speed up an administrative process or secure a routine Government action. Examples are obtaining or expediting a permit, license or other official document or proposal.
Third Party(s)/ Associated	Any person, an individual or an incorporated or un-incorporated body engaged directly or indirectly with customers, government

Common Terms	Description
Persons (“AP”)	agencies or other parties for or on behalf of ELGAP and the Group.
Relationship Owner	A person (staff) that is the contact point between the Third Party/Associated Person and ELGAP or the Group. This staff shall be the person handling the Third Party/AP from on-boarding process until appointment of that Third Party/AP.
Staff	In the context of this Policy, staff refers to employees of the Etiqa Life and General Assurance Philippines.
Government Linked Companies (“GLCs”)	<ul style="list-style-type: none"> <li>· GLCs are public enterprises in which the Government has an equity of more than 50% and/or ;</li> <li>· any corporate entity where the government is a shareholder and/or;</li> <li>· the government had a direct controlling stake not just limited to percentage ownership but have vetoed rights or has golden share that can influence in the appointment of directors and senior management, decision making in the operations of the company and corporate planning including contracting awards, financing, acquisitions etc., directly or indirectly.</li> </ul> <p><i>Note: - Golden share is defined as a share in a company that gives control of at least 51% of the voting rights, especially when held by the government.</i></p>

## 2. INTRODUCTION

Etiqa Life and General Assurance Philippines. (ELGAP) is committed to conduct its business dealings with integrity. To achieve this commitment, ELGAP has adopted a zero tolerance approach against all forms of Bribery and Corruption in carrying out its daily operations.

### 2.0 Objectives of the Policy

- 2.0.1 To set out the minimum standards of conduct in observing and upholding ELGAP’s position with respect to Bribery and Corruption for Officers and employees, which complements the core principles of the Maybank Group Code of Ethics and Conduct Policy.
- 2.0.2 To provide high level guiding principles in addressing Bribery and Corruption risks arising from business activities to ensure protection of the reputation of ELGAP.
- 2.0.3 To inculcate zero tolerance level for accepting, offering, paying, giving, soliciting or authorizing bribes.
- 2.0.4 To enjoin the staff from engaging in any act that is unethical, illegal and

contrary to good corporate governance, which are in the nature of giving a bribe or corrupting others, including but not limited to:

- a) Offering, providing, agreeing to accept or accepting advantages intended to influence or induce recipients to act improperly; or
- b) Influencing **Public Officials (“PO”)** in order to obtain or retain business or an advantage in business.
- c) Engaging in any sort of Corruption or Bribery activities in business dealings with Third Parties/AP such as agents, distributors, contractors, etc. who are directly or indirectly acting/associated with ELGAP.

2.0.5 To ensure that ELGAP directors and employees understand their responsibilities to comply with this policy, the applicable laws, rules and regulations, including the consequences of non-compliance thereto.

## 2.1 Legislation and Regulatory Environment

The AB&C Policy is premised on four (4) principal legislations comprising of the Anti-Graft and Corrupt Practices Act or R.A No. 3019, **Malaysian Anti-Corruption Commission Act (MACCA)**, **United Kingdom Bribery Act (UKBA)** and **Foreign Corruption Practices Act (FCPA)** for the following reasons:

Anti-Graft and Corrupt Practice Act or R. A No. 3019 which governs the provisions for Bribery and Corruption in the Philippines where offenders shall be punished with imprisonment for not less than one (1) year nor more than ten (10) years, perpetual disqualification from public office, confiscation or forfeiture in favor of the Government of any prohibited interest and unexplained wealth manifestly out of proportion to his salary and other lawful income, and permanently or temporarily disqualified in the discretion of the Court, from transacting business in any form with the Government.

MACCA which governs the provisions for Bribery and corruption in Malaysia where offenders may be sentenced to a maximum imprisonment of up to 20 years and a fine of not less than five times the sum/value of the gratification where it is capable of being valued or is of a pecuniary nature, or MYR10,000.00, whichever is higher, in addition to irreparable reputational damage to the Group.

The UKBA and FCPA are the global standards that are being adopted by most countries and more so, ELGAP as a whole needs to be aligned with such global standards. The above-mentioned legislations have the element of extra territorial reach where foreign commercial organization (inclusive of financial institutions) may be implicated for Bribery or corruption offences in the UK and USA, respectively.

To meet the expectations of and to be aligned with global standards and requirements on anti-bribery and corruption in light of our global business environment. There is also a need to meet the high standards required by our strategic partners to have such AB&C Policy in place in compliance with their respective anti-bribery and corruption policies.

A formal AB&C policy is imperative as a defense against prosecution (e.g. Section 7 of the UKBA). Companies subject to prosecution under the UKBA and FCPA may be able



to demonstrate that they have an effective and robust framework in place to prevent Bribery occurring, and may have a defense against the corporate liability offence under the UKBA of failing to prevent Bribery.

## 2.2 Approving Authority

This Policy shall be reviewed and updated, if needed, at least annually, or upon changes to relevant laws, rules and regulations. Implementation and subsequent material changes to the policy needs to be tabled and approved by ELGAP’s Board.

Note: Material is defined as follows:

Internal Factors	External Factors
i) Specific changes to this Policy as requested by Board and/or Senior Management thru the Management Committee	i) Changes in regulatory requirements including R.A. No. 3019. MACCA, UKBA, and FCPA, etc.
ii) Enhancement or diminution to the scope and applicability of this policy.	ii) External auditor’s recommendations.
iii) Change in the Compliance governance structure and oversight role.	iii) External certification body recommendations on the Integrity Programmes to combat Corruption and Bribery.
iv) Any other changes deemed material by the Chief Compliance Officer.	

## 3.0 KEY PRINCIPLES OF THE POLICY

### 3.1 Bribery and Corruption

**No Department/Division and/or individual shall engage in any form of Bribery or corrupt practices (offer or receipt) in any form, whether direct or indirect.**

### 3.2 Public and Private Parties Advantages

No Department/Division and/or individual covered by this AB&C Policy shall engage in **any form of Bribery with a domestic/local or foreign Public Official or private parties**, which includes facilitation payments or “grease payments” for performance of routine official duties or for the purpose of inducing /obtaining / retaining business, gaining an unfair advantage and influencing a government or regulatory decision for ELGAP or for personal gain.

### 3.3 Corporate gifts, business entertainment and other advantages

**The giving and receiving of gifts and entertainment, including donations and sponsorships whether directly or indirectly with the intention to bribe, to retain or gain a business advantage, or for personal gain is strictly prohibited.**

### 3.4 Gifts of Gratitude

Generally, gifts of gratitude must be declined and if refusal is not possible because it would be seen as discourteous or may result in reputational risks, the staff is required to seek approval at the earliest opportunity to retain the gift and to donate to an established charity or distribute or retain as ELGAP's property.

### 3.5 Political Contributions

The staff is prohibited from making any contributions using ELGAP's funds as well as from using ELGAP's property or any of its facilities for the benefit of any political party, politically oriented campaign or charitable event organized by a political party as the Group maintains political neutrality in all jurisdictions that it operates.

### 3.6 Dealings with Third Party/AP

Every relationship with a Third Party/AP must be in a written form with the appropriate contractual safeguards against bribery and corruption activities and any other form of unethical action which may give rise to reputational risk, fines or enforcement actions against the ELGAP.

Where a Third Party/AP subcontracts with another third party to render services under the main/master contract with the Group, there must be a subcontracting provision in the said contract to spell out that it is the responsibility of the Third Party/AP to safeguard ELGAP from any bribery or corruption risk resulting from the sub-contracting relationship.

### 3.7 Donations and Sponsorships

It must not be used or perceived as a subterfuge for bribery that may create reputational risk to ELGAP. The funds should not be made to a specific or a group of person but to provide assistance or to support a legitimate activity of charitable organization.

### 3.8 Conflict of Interest

Actual or potential Conflict of Interest which could result in actual or potential Bribery and Corruption risk to ELGAP is prohibited.

## 4.0 TOP LEVEL COMMITMENT

The Board is ultimately responsible to inculcate an anti-bribery culture within ELGAP. Board members must understand the anti-bribery and corruption measures required by law including the R.A No. 3019, UKBA, FCPA, and MACCA regulations and other applicable legislation, and the importance of robust measures to prevent the ELGAP from being exposed to bribery activities.

The Management Committee is responsible for the implementation and management of Anti-Bribery and Corruption compliance programmes in accordance with policies and procedures established by the Board, and in accordance with the requirements of the law, regulations, guidelines and the industry's standards and best practices. These include, among others:

- Communicating the provisions of the AB&C Policy and ELGAP's zero tolerance approach against Bribery and Corruption to directors, employees, and third parties;
- Ensuring proper implementation of the AB&C Policy to address, detect and mitigate Bribery and Corruption risks;
- Ensuring that the AB&C Policy include clear guiding principles, effective procedures, processes and controls to identify, assess, monitor, manage and mitigate Bribery and Corruption risks;
- Encouraging the use of the available whistleblowing channels for reporting of Bribery and Corruption incidents;
- Ensuring that the lines of authority for personnel tasked with responsibility for designing executing and overseeing the compliance of AB&C PP requirements are appropriate;
- Assigning adequate and accountable resources to ensure compliance with the requirements of AB&C Policy;
- Ensuring that directors and employees have been provided with the appropriate and a dequate level of AB&C training and awareness to understand the requirements of the AB&C Policy; and
- Ensuring that Bribery and Corruption risks and matters affecting the implementation and management of anti-bribery and corruption compliance programmes are reported to the Board on a timely basis.

## 5.0 SCOPE OF THE POLICY

### 5.1 Scope and Applicability

This Policy is applicable across ELGAP and Third Parties/AP such as agents, distributors, contractors, joint venture partners or service providers who are directly or indirectly acting/associated with ELGAP, its staff, directors (Executive and Non-Executive directors) and any other person acting for and on behalf of ELGAP. This policy is not intended to be a substitute for personal discretion and sound judgement is to be exercised during the course of work.

This Policy sets out guidance with respect to the following:

- i) Obligations of ELGAP with respect to the requirements imposed by core principle legislations; R.A. No. 3019, UKBA, FCPA, and MACCA and the respective amendments from time to time.
- ii) Requirements to be adhered to by ELGAP in implementing an effective and comprehensive risk-based approach in managing AB&C risks; and
- iii) Board of Directors' and Senior Management's understanding of their roles and responsibilities in ensuring the relevant AB&C control measures are in place.

- iv) In the event that applicable local laws and regulations are more stringent than the Group policy, the more stringent requirements shall apply.

Bribery and Corruption risk of customers are covered in ELGAP's Money Laundering and Terrorist Financing Prevention Program (MLPP) and procedure as Corruption is listed as a predicate offence of the Republic Act No. 9160, as amended, otherwise known as the "Anti-Money Laundering Act of 2001, as amended. This risk is mitigated during on-boarding and on-going monitoring of the customer's transaction pattern through-out the relationship.

## 5.2 Consequences of Non-Compliance

In line with ELGAP's stance on zero tolerance level on any forms of Bribery and Corruption, any act by the staff that contravenes the requirements of this Policy or related regulatory requirements that would constitute "non-compliance" shall be endorsed to ELGAP Internal Audit for further investigation, and results thereto will be reported to the ELGAP Audit Committee of the Board. The same results of investigation will be forwarded to ELGAP Human Capital for the appropriate disciplinary actions to be taken.

In addition, the same will be escalated to ELGAP Compliance Department for reporting to Group Compliance and updating of the "compliance league table", which would affect the staff's performance.

The consequences of non-compliance with the AB&C laws and regulations may include regulatory enforcement actions against ELGAP including its directors, officers and staff. The enforcement actions include civil actions and criminal penalties, as well as incarceration of the individuals/entities involved. In Philippines, sanctions may include confiscating and forfeiture of funds with provision under the R.A. No. 3019.

Non-compliance will also be dealt with in accordance with the existing process applicable to the staff found in breach of internal policies or code of ethics and conduct.

## 5.3 Guide to Business

Following from this Policy, a procedural manual will be developed to provide guidance to the departments/division in designing their own procedures to operationalize the requirements of this Policy.

## 6.0 RISK ASSESSMENT

ELGAP shall perform an annual Bribery and Corruption risk assessment to identify, assess and understand the potential internal and external Bribery and Corruption risks, and to determine the level of control measures to be instituted.

To achieve this objective, ELGAP has adopted Group Compliance's Bribery and Corruption

risk assessment approach, which will require each department/unit in ELGAP to identify, analyze and assess internal and external Bribery and Corruption risks related to that entity/department. (See ELGAP AB&C Procedures for detailed guidelines.)

## 7.0 SPECIFIC REQUIREMENTS TO ADDRESS BRIBERY AND CORRUPTION RISK

### 7.1 Facilitation Payments

In line with Maybank's zero tolerance against Bribery and Corruption, ELGAP's Officers and employees are strictly prohibited from making facilitation payments. Facilitation payments are payments for "routine governmental action", such as processing papers, issuing permits and other actions of an official, in order to secure or expedite performance of duties. Facilitation payments exclude payments for legitimate 'express services' that are permitted by law.

### 7.2 Duress Payments

In exceptional circumstances, where a payment is made under duress as a direct result of violence or threats to the personal safety of directors or employees, the incident must be immediately reported to ELGAP Management Committee for deliberation and subsequently reported to the ELGAP Board.

### 7.3 Dealings with Third Party, AP and Customer

Due diligence forms part of the risk assessment process and it is a means to mitigate the Bribery risk. Adequate due diligence is important to satisfy oneself that the Third Party/AP who is being dealt with is genuine and someone that can be trusted to do business without resorting to any forms of Bribery.

The selection of supplier/vendor termed as Third Party/AP must comply with the requirements of this Policy and the internal controls spelled out in the ELGAP and ELGAP Procurement Manual. Supplier/Vendor selection should be a formal, structured invitation and supported by proper documentation of the due diligence conducted.

The guidelines and procedures applicable to this section of the Policy are set out in the ELGAP AB&C Procedure.

### 7.4 Standard Due Diligence, Enhanced Due Diligence and On-going due diligence on Third Party/Associated Person (AP)

Due diligence forms part of the risk assessment process and it is a means to mitigate the Bribery risk. Adequate due diligence is important to satisfy oneself that the Third Party/AP who is being dealt with is genuine and someone that can be trusted to do business without resorting to any forms of Bribery.

#### 7.4.1 Standard Due Diligence and Enhanced Due Diligence

Based on the risk assessment performed, business is to conduct the appropriate due diligence. Where the assessment of the Bribery or Corruption risks of the Third Parties/AP (individual/entity) is low or of higher risk, standard due diligence or enhanced due diligence is to be carried out, respectively.

The purpose of the due diligence is to ensure that the business has considered relevant available information of the Third Party/AP, has an informed view on the risk posed by the Third Party/AP, and can reasonably conclude that the Third Party/AP would conduct its activities in an ethical manner and in compliance with relevant anti-Bribery legislation.

#### 7.4.2 On-Going Due Diligence (Periodic Review)

In line with the risk based approach, business is to conduct on-going due diligence/periodic reviews on the business relationship with the Third Parties/AP. For Third Parties/AP categorized as high risk from the initial risk assessment performed during on-boarding they should be subjected to close monitoring and more frequent reviews in contrast to those categorized as lower risk.

Apart from the periodic reviews, in the event of trigger events such as negative news on the Third Parties/AP (company or the senior management), a refreshed due diligence, which includes re-screening, is to commence immediately. If the business decision is to maintain the relationship, business is to obtain comments from Compliance prior to escalation for approval from designated approving authority. If the decision is to exit the relationship, ELGAP's Compliance must be notified to update the AP in the ELGAP's screening database (AP Blacklist) maintained by ELGAP Compliance to prevent re-onboarding of the AP. Business is to consult Legal Department for advice on any potential legal implications that may result from the intended exit.

The Third Party/AP risk assessment process, the level of due diligence and decision making matrix for the engagement of APs are set out in the ELGAP AB&C Procedure.

## 7.5 Corporate Gifts, Business Entertainment and other Advantages (“Advantages”)

It is ELGAP’s policy to prohibit the employees and APs from giving or receiving advantages from customers, prospective customers, suppliers, vendors, competitors and any other third party/AP. This prohibition is also extended to the employees/APs who are directly or indirectly involved in organizing of annual dinners, sports events, family days and other similar events.

Bearing in mind the ELGAP’s stance on this, the employees and APs should actively but sensitively discourage offering/accepting of gifts by informing the other party regarding ELGAP’s policy. However, ELGAP allows some exceptions to this policy where gifts or hampers are generally acceptable/offered in relation to promotional activities/services, maintaining of business relationship or during festive season intended to improve the image of ELGAP but subject to the thresholds as stipulated in the Procedure of this Policy and other relevant policies.

Officers and Employees are to be guided by the thresholds and procedures set out in the ELGAP AB&C Procedure.

## 7.6 Donations and Sponsorships

Charitable giving refer to donations that are purely philanthropic in nature to a charitable organizations with no expectation of direct/indirect benefit returned to ELGAP and the Group, and there is no event or activity connected or linked to the payment.

This Policy does not prohibit or deter charitable contributions, donations and sponsorships by ELGAP. However, such not be used or perceived as a subterfuge for bribery or as an illegal advantage that may give rise to real or apparent conflict of interest or create reputational risk to ELGAP. This Policy applies to all staff inclusive of directors (executive and non-executive), when acting for and on behalf of the ELGAP

Charitable contributions/donations made in a personal capacity outside ELGAP including individual fundraising is outside the scope of this Policy. The guidelines and procedures for this section are set out in the ELGAP AB&C Procedure.

## 7.7 Managing Conflict of Interest

Actual or potential Conflict of Interest must be avoided. Officers and employees must:

- i. not accept or receive personal benefits arising from their position, role or employment capacity;
- ii. not handle matters on behalf of ELGAP in situations where they have an interest that conflicts with ELGAP or its various stakeholders; and
- iii. inform ELGAP Human Capital and Compliance of any known interests and situations that could give rise to actual or potential Conflict of Interest.

The guidelines and procedures applicable to this section of the Policy are set out in the ELGAP AB&C Procedures and ELGAP’s Code of Ethics and Conduct.

## 7.8 Mergers, Acquisitions and Joint Ventures

ELGAP must undertake due diligence to ensure compliance with the relevant laws, rules and regulations when engaging in 1) mergers and acquisitions; 2) joint ventures; and 3) proprietary investments.

The level of due diligence performed on the investment target must correspond to the level of Bribery and Corruption risk it poses to ELGAP.

The guidelines and procedures applicable to this section of the Policy are set out in the ELGAP AB&C Procedure.

## 7.9 Hiring Controls

The recruitment of staff, temporary or permanent, paid or unpaid must not be used to obtain or retain business and to gain unfair business advantage or for personal gains as these would pose Bribery and Corruption risk to ELGAP.

The offering of directorships, employment opportunities or similar offers, are only permissible where the following criteria have been satisfied:

- The offer is supported by a genuine and legitimate business need;
- Candidate selection is merit-based; and
- Candidates are subject to the same selection process and checks regardless of sourcing channel (e.g. referrals, external applications).

Hiring decisions which could give rise to actual or potential Conflict of Interest must be avoided.

When hiring of a PO or persons who are closely connected to or referred by PO, corporate customers or vendors are of higher risk and would require enhanced due diligence and senior management's approval while adhering to the requirements of Human Capital Hiring Policies. Hiring of such would fall under the category of non-monetary advantage. This category of higher risk hire would require annual periodic review and re-screening for any adverse news.

The guidelines and procedures applicable to this section of the Policy are set out in the ELGAP AB&C Procedure and ELGAP's HC Resourcing Policy.



## 8.0 MONITORING AND ENFORCEMENT

### 8.1 Monitoring

Compliance will periodically perform the independent review, while, Internal Audit as the second line of defense will perform the overall review on the adequacy and effectiveness of the controls. (See ELGAP AB&C Procedures for detailed monitoring and enforcement procedures.)

### 8.2 Reporting of Bribery and Corruption Cases

For Corruption cases where the prima facie has been established especially through the whistle blowing channel, other than escalation to the relevant internal parties such as ELGAP's Human Capital, the case needs to be submitted to Internal Audit and Compliance, for their investigation and, if required, submission to relevant regulators.

In the events of known Bribery/Corruption cases that are Operational Risk incidents, respective businesses are subjected to the provisions of company policies reporting as stipulated in the relevant ELGAP's Policies.

Information on the management of Bribery and Corruption risks and compliance with A B&C Policy shall be provided by ELGAP's Compliance to the ELGAP Management Committee and Board in an appropriate and timely manner to: 1) facilitate their oversight and monitoring the effectiveness of existing processes and controls; and 2) ensure continued compliance with the relevant AB&C laws, rules and regulations.

### 8.3 Recording and Safekeeping of Documents

Complete and accurate records to demonstrate adherence to provisions of the AB&C Policy and Procedure must be developed and maintained.

Documentation must be kept for a minimum period of ten (10) years and properly stored so they are readily available for review when required.

If a longer retention period for documents is set out in a separate Policy or Procedure document, the longer retention period must apply.

This guidelines and procedure applicable to this section of the Policy are set out in the ELGAP AB&C Procedure.

## 9.0 WHISTLE BLOWING

All genuine concerns of any alleged or suspected fraud, Corruption, criminal activity or serious breach of the ELGAP’s Code of Ethics and Conduct can be raised through the following dedicated and secured channels as follows:

<b>Hotline</b>	09151634147 (Whatsapp and Viber)
<b>Email</b>	<a href="mailto:whistleblowing@etiqa.com">whistleblowing@etiqa.com</a>
<b>Letter</b>	3 <sup>rd</sup> Floor, Morning Star Center, 347 Senator Gil J Puyat Ave. Makati City, 1209

## 10.0 TRAINING AND STAFF AWARENESS

All directors and employees will be trained and assessed **annually** on the key requirements of this policy, including but not limited to approvals, record keeping requirements.

ELGAP’s Compliance must monitor training attendance of officers and employees, assessment results, and evaluate the adequacy and effectiveness of the trainings **annually** to ensure that such remains current and meets its primary objectives.

## 11.0 HELP DESK

<b>Name</b>	<b>Department</b>	<b>Contact Number / Email</b>
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# **ETIQA Life and General Assurance Philippines (ELGAP) Anti-Bribery and Corruption Procedure**

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**Procedure**

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### Version History and Changes Made To Previous Policy Versions

Version	Effective Date	Author	Remarks
1.0			

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## DEFINITION OF TERMS

Unless otherwise defined, capitalized terms defined and used in Maybank Philippines, Inc. (ELGAP) Anti-Bribery and Corruption Procedure (“Procedure”), shall have the same meaning as the definition of terms used in the ELGAP Policy (“Policy”). In the event of any inconsistency between the Policy and this Procedure, the terms of this Procedure shall prevail.

The table below sets out the definitions and acronyms used throughout this Procedure:

Common Terms	Description
Third Party(s)/ Associated Persons (“AP”)	Any person, an individual or an incorporated or un-incorporated body engaged directly or indirectly with customers, government agencies or other parties for or on behalf of <b>ELGAP</b> and the Group.
Beneficial Owner(s)	Beneficial owner refers to an individual who is entitled to exercise control or has control of 25% or more of the shares/voting rights of a company. This also includes situations in which ownership or control is exercised through a chain of ownership or by means of control other than direct control.
Politically Exposed Person (“PEP”)	An individual who is or who have been entrusted with prominent public function by the local government, a foreign country, or by an international organization.

## 1. OVERVIEW

### 1.1. Objective of the Procedure

This Procedure supports the Policy in setting out detailed steps to guide Directors and Employees on how to deal with Bribery and Corruption risks and issues that may arise in the course of **ELGAP**'s business.

This Procedure is not intended to be a substitute for personal discretion and readers are expected to exercise sound judgment to meet the objectives of the Policy and this corresponding Procedure.

### 1.2. Procedure Approval and Subsequent Review

This Procedure is owned by **ELGAP** Compliance and must be reviewed at least annually, and as and when there are changes to the Policy. Subsequent material amendments in the Policy as approved by the Board require amendment to this Procedure.

## 2. BRIBERY AND CORRUPTION RISK ASSESSMENT

**ELGAP** must perform an annual Bribery and Corruption risk assessment to identify, analyze and assess the internal and external Bribery and Corruption risk. The risk assessment results will determine the appropriate processes and controls to mitigate the identified Bribery and Corruption risks.

**ELGAP**'s Compliance is responsible for the planning, execution and reporting of a Bribery and Corruption risk assessment, which should be carried out at least once a year. In addition, additional risk assessment is required whenever there is a material trigger event including, but not limited to, the following:

- i. significant changes to business propositions and product offerings;
- ii. significant changes in business activities, structure and/or operations;
- iii. significant increase in AB&C breaches reported;
- iv. ad-hoc request from supervisory authority to perform intermittent risk assessment;
- v. changes in regulatory requirements; or
- vi. external auditor's recommendations.

**ELGAP** Compliance must ensure that the methodology, approach and template underpinning **ELGAP**'s AB&C Bribery and Corruption risk assessment is appropriate and fit for purpose, taking into consideration:

- i. recent developments in internal and external environment including regulatory developments; and
- ii. readiness of processes, controls and availability of data to support the assessment.



The risk assessment must, at a minimum, consider:

- i. country or sectors in which **ELGAP** has dealings or operations;
- ii. parties **ELGAP** interacts with (e.g. Customer and AP);
- iii. products offered; and
- iv. specific activities or transactions undertaken which pose higher AB&C risks (e.g. gifts and entertainment, donations and sponsorships, employment and hiring).

The Head of each unit/entity must provide information to **ELGAP** Compliance on the inherent Bribery and Corruption risks they face, through the completion of the risk assessment template provided by **ELGAP** Compliance.

**ELGAP** Compliance must report the outcome of the Bribery and Corruption risk assessments, as well as the proposed remedial actions to manage the identified risks, to the Management Committee and the Board. These reports must be approved by the Board.

### 3. DEALINGS WITH THIRD PARTY AND AP

#### 3.1. Dealings with Third Party

When dealings with Third Party, the department/entity must assess the nature or purpose of the official dealings/ business relationship. Where it involves gifts and entertainment to/from Third Party, the department/entity shall refer to Section 4 and 5 for guidance.

The nature or purpose of the dealings with the Third Party must align with the key principles of the Policy.

#### 3.2. Engaging APs

The department/entity engaging the AP is responsible for performing the procedures defined in this section. There are two types of APs as follows: *(Please refer to Appendix 1 - Associated Person Assessment Template)*

- a) APs that fall under the categories below are deemed to have a high possibility of exposing **ELGAP** to Bribery and Corruption risk:
  - i. performs a service in **ELGAP**'s name i.e. outsourcing service providers;
  - ii. represent **ELGAP** in any of its dealings with other parties;
  - iii. act on behalf of **ELGAP**; or
  - iv. strategic business partners, collaboration partners, joint-venture partners.
- b) All other APs, which do not fall under categories specified under Section 3.2 (a).

### 3.3. Requirements to perform Due Diligence for APs

APs that fall under 3.2 (a) are subject to the procedures set out in Sections 3.4 to 3.6. Where the AP is an existing customer of **ELGAP**, the department/entity may rely on the AML customer due diligence performed on the customer.

For other APs under 3.2 (b), the department/entity must perform a name screening on the APs in ELGAP screening database prior to onboarding the APs, to ascertain if the APs or the Beneficial Owners have any hits. Where it is noted that the AP has an adverse media or a true match to the **ELGAP** screening database, the department/entity must escalate the case to **ELGAP** Compliance. The AP should not be on boarded until a clearance is given by **ELGAP** Compliance. A rescreening must be performed by the department/entity at every contract renewal.

The requirements stated under Sections 3.7 to 3.11 are applicable for all APs.

### 3.4. Due Diligence for AP Onboarding

The following procedures must be applied to all prospective APs that fall under Section 3.2 (a):

Procedures	Details
Screening	<ul style="list-style-type: none"> <li>• Name screening must be performed for the AP and the following:               <ul style="list-style-type: none"> <li>○ Beneficial Owners;</li> <li>○ Immediate and intermediate corporate shareholder which owns 25% or more of the shares;</li> <li>○ Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, or any equivalent positions/roles</li> </ul> </li> <li>• Perform adverse news check via internet searches to ascertain if the AP or its Beneficial Owners has any Bribery and Corruption news.</li> </ul>
Assessment of Proposed Fees	Perform checks to ensure that the proposed fees and remuneration payable to the AP is commensurate to the nature and extent of services provided.

An AP should be classified as High Risk if one or more of the below risk factors is identified for the AP. Otherwise, the AP will be classified as Standard Risk:

- There is one or more PEP(s)/ Public Official(s)/ Foreign Public Official(s) in the AP ownership structure who has an ultimate controlling ownership interest and/or can exercise control or decision making over AP;
- A PEP/ Public Official/ Foreign Public Official/ customer is able to exert significant influence on the engagement or retention of the AP;
- AP has previously worked for the government, or is closely connected with a PEP;

- Adverse media relating to potential Bribery or Corruption on the AP, its directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, or any equivalent positions/ roles or Beneficial Owners is identified. Please refer to **ELGAP** Anti- Money Laundering and Countering Financing of Terrorism Policy for definition of materiality of adverse news;
- Alleged Bribery or Corruption concerns on the AP, its directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, or any equivalent positions/ roles or Beneficial Owners is identified;
- AP in the course of doing work for **ELGAP**, will have frequent interaction with government officials, government agencies, government controlled agencies and/or other agencies or organizations which are deemed as higher risk by department/entity involved in engaging the AP;
- AP has limited capability or experience in providing the required services;
- The scope of work or activities undertaken is unusual or unnecessarily complex;
- The AP requests payment through unusual means (e.g. to be paid to an account owned by a different party); or
- The contractual terms proposed by the AP deviates significantly from **ELGAP**'s AP related contractual safeguards.

Where it is noted that the AP has an adverse media or a true match to the **ELGAP** screening database, the department/entity must escalate the case to **ELGAP** Compliance. The AP should not be onboarded until a clearance is given by **ELGAP** Compliance. Upon granting of clearance, the department/entity may proceed to on-board the AP and must tag the AP as High Risk.

### 3.5. Approval for AP Onboarding

All onboarding of APs must be approved by Head of Unit. In the case of High Risk APs, the approval should be obtained from Department Head.

### 3.6. Ongoing Due Diligence for APs

High Risk APs are subject to annual due diligence, while the due diligence for Standard Risk APs must be refreshed every 3 years.

Ongoing due diligence shall be initiated 30 calendar days before the expiry of the previous due diligence to avoid any delay in assessing the potential Bribery and Corruption risk involved in engaging the APs. The due diligence performed should be completed within 30 calendar days.

In addition to the ongoing due diligence, there may be trigger events that warrant a review of the AP, such as:

- i. significant changes in the ownership or engagement structure of the AP;
- ii. adverse media news or reports (e.g. Bribery, Corruption, money laundering) involving the AP, its directors, CEO, COO, Chief Financial Officer, or any equivalent positions/ roles or Beneficial Owners;
- iii. concerns surrounding the effectiveness of AP's AB&C programme; or
- iv. changes in the nature of services provided by the AP.

The following procedures must be performed on existing APs as part of the ongoing due diligence review:

- i. screening and assessment of proposed fees in line with Section 3.4. For corporate APs, the department/entity must identify if there is any change to the Beneficial Owners to ensure that screening is performed accordingly;
- ii. review of the contract to identify changes in the services provided by the AP or contractual terms governing the relationship with the AP;
- iii. re-evaluate the risk rating, taking into consideration the outcomes of the checks described in i); and
- iv. High Risk APs must submit a fresh declaration declaring their compliance with **ELGAP**'s summary AB&C Policy during each due diligence refresher exercise.

The due diligence results must be considered when determining whether to accept, maintain or terminate the relationship with the APs. If the department/entity decides to maintain the relationship and where there are Bribery and/or Corruption concerns, the department/entity must escalate the case to **ELGAP** Compliance for discussion, prior to requesting approval from the relevant Department Head.

If the department/entity decides to terminate the relationship, **ELGAP** Compliance must be notified to update the AP in the **ELGAP** screening database (AP Blacklist) maintained by **ELGAP** Compliance to prevent re-onboarding of the AP.

### 3.7. Contractual Safeguards

Standard and non-standard contracts between **ELGAP** and the APs ("Contracts") must include the following contractual safeguards:

- a requirement to have appropriate AB&C policies, processes and controls (or equivalent) in place. If this is not available, there must be a requirement on the part of the AP to maintain adequate internal controls and procedures to ensure compliance with the laws and regulations concerning Bribery and Corruption;
- a prohibition on the AP committing Bribery and Corruption in the course of performing the agreed services or carrying out the strategic or collaborative activities with **ELGAP**; and
- a termination clause allowing **ELGAP** to immediately terminate the contract with the AP, where acts of Bribery and Corruption have been identified.

The contract should also require the AP to indemnify **ELGAP** against losses, costs, claims, demands, expenses (including reasonable legal fees) and liabilities of nature arising from or relating to acts of Bribery or Corruption committed by the AP ("Indemnity"). This requirement should survive tenure of the contract with **ELGAP**. Any deviation to this indemnity requirement must be approved by the head of the unit that is the contracting party in consultation with **ELGAP** Legal and **ELGAP** Compliance.

In addition to the requirements in Section 3.7, Contracts with High Risk APs, must include the following:

- a right to audit the records of the AP; and
- a requirement to provide a written declaration to comply with the **ELGAP AB&C Policy**.

### 3.8. Declaration of Compliance

All High Risk APs must submit a declaration stating their compliance with **ELGAP's AB&C Policy** key principles. (Please refer to Appendix 2 - Associated Person Letter of Declaration)

### 3.9. Termination of AP Relationship with Bribery or Corruption Concerns

In the event that a department/entity decides to terminate the relationship with any AP for Bribery or Corruption concerns, the department/entity must notify **ELGAP Compliance** within two (2) working days from the date of the decision. **ELGAP Compliance** must then update the **ELGAP** screening database within two (2) working days of the notification to ensure that such AP does not get re-onboarded by other department/entity.

### 3.10. Payments to APs

Fees and remuneration payable to the AP must commensurate to the nature and extent of services provided by the AP. Invoices must be supported by detailed calculations (e.g. payment schedules, man-hour records, expenses tracker) to ensure that the fees paid to the AP are in accordance to the agreed payment schedule stated in the contract/ agreement.

Control measures must be in place to ensure that:

- i. payment made to AP must not be in the form of physical cash;
- ii. payment must be made to an account that bears the name of the AP; and
- iii. payment must be made in accordance to the agreed payment schedule stated in the contract or agreement.

### 3.11. Maintaining AP Records

Each department/entity shall maintain a centralized register of all APs. Departments/entities engaging APs must update the AP register no later than ten (10) working days after:

- i. New APs are onboarded;
- ii. Existing APs are terminated;
- iii. Changes to the status or details of existing APs are identified; and
- iv. After the ongoing due diligence refresh is completed.

#### 4. GIVING GIFTS AND ENTERTAINMENT

Each department/entity shall maintain a centralized register to keep the records for all gifts and entertainments. A summary of the thresholds for giving gifts and entertainment is shown below. The values are considered on a “per person, per event basis”. *(Please refer to Appendix 3 - Gifts and Entertainment Request Form and Appendix 4 - Gifts and Entertainment Register)*

Category or Value	Giving			
	Recording Required	Notification to Compliance	Approval from P/CEO or Department Head	Approval from CEO - International
Cash and cash equivalents	Prohibited			
Entertainment involving illegal or unethical activities				
Token Gifts with no resale value	Allowable. No recording or approvals required			
Corporate Gifts with no resale value				
≤ ₱5,000 [“lower limit”]	✓	✓	×	×
> P5,000 up to P15,000	✓	✓	✓	×
> ₱15,000 [“upper limit”]	✓	✓	✓	✓

##### 4.1. Giving Gifts and Providing Entertainment

- a) **Gifts of cash and cash equivalents are strictly prohibited.** This includes cash, bonds, negotiable securities, personal loans, guarantees, and other forms of security in which benefits are derived.
- b) Gifts that do not require approval or recording include token and corporate gifts of no resale value, such as:
  - gifts provided during ELGAP’s official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to guests attending the event);
  - gifts bearing ELGAP’s logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events and deemed as part of the company’s brand building or promotional activities; and
  - corporate gifts, including gifts which are centrally managed, sourced and distributed by ELGAP.
- c) It is strictly prohibited to provide entertainment which is illegal or unethical (e.g. drug consumption, prostitution, and other activities that violate the ELGAP Code of Ethics and Conduct Policy).
- d) Additional caution must be exercised when giving gifts or providing entertainment to PEPs/ Public Officials/ Foreign Public Officials, especially those who have the capacity to influence/make policy level decisions.
- e) Multiple entertainments provided during a single occasion event are to be considered as a singular event and must be aggregated for approval purposes.

- f) If the entertainment occurs outside of the home country where the Directors and Employees are based, the limits of the location where the entertainment occurs shall apply.
- g) If the actual amount spent exceeds 120% of the pre-approved amount, post approval must be obtained by the Directors and Employees no later than 10 working days after the date of the event. If the post-approval request is denied by the authorized approver, this will be recorded as an incident of non-compliance.
- h) The Directors and Employees must declare and record all gifts and entertainment (except token and corporate gifts of no resale value), immediately or no later than 10 working days after the request was approved or rejected, whichever is earlier. These include gifts which have been rejected by the recipients.
- i) Every 6 months (not later than January 5 and July 5 of every year), ICOs and DICOs of respective units shall submit to Compliance Management Department a Certification which includes a summary of the details of the Registry covering 6 months prior to the reporting period. A certification shall still be submitted even if there is nothing to report.

#### 4.2. Inviting External Parties to **ELGAP**-Organized Events

- a) **ELGAP** may pay speaker fees to, and cover reasonable expenses for, external parties who are invited to **ELGAP**-organized events, subject to the following conditions:
  - Department Head pre-approval is obtained;
  - there is an invitation letter addressed to the invitee, clearly setting out the agenda of the event, the topic to be discussed by the speaker or panelist;
  - the amount is not excessive and is similar to expenses generally paid in similar situations; and
  - there is no potential or actual Conflict of Interest.
- b) Reasonable expenses may include:
  - registration or other event charges, including meals provided during the event;
  - meals outside the event;
  - travel costs;
  - accommodation cost; and
  - speaker fees (for speakers or panelists only).
- c) The class of travel or accommodation provided to external parties must commensurate with the class of travel provided to Directors or Employees of equivalent level or seniority.

## 5. RECEIVING GIFTS OR ENTERTAINMENT

Each department/entity shall maintain a centralized register to keep the records for all gifts and entertainments. A summary of the permissibility for receiving gifts is shown below: *(Please refer to Appendix 3 - Gifts and Entertainment Request Form and Appendix 4 - Gifts and Entertainment Register)*

Category or value	Receiving
Cash or cash equivalents	Prohibited
Token Gifts with no resale value	Allowable. No recording or approvals required
Other gifts	Gift received must be handled as below: <ul style="list-style-type: none"> <li>• Decline</li> <li>• Donate</li> <li>• Distribute</li> <li>• Retained as <b>ELGAP</b> property</li> </ul>

A summary of the thresholds for receiving entertainment is shown below:

a. From customers (potential or current)

Category or value	Recording Required	Notification to Compliance	Approval from PCEO or Department Head	Approval from CEO - International
Illegal or unethical activities	Prohibited			
≤ P1,000	X	×	×	×
> P1,000 up to P5,000	✓	✓	×	×
> P5,000 up to P15,000	✓	✓	✓	×
> P15,000	✓	✓	✓	✓

b. From Third Parties and APs

Category or value	Recording Required	Notification to Compliance	Approval from PCEO or Department Head	Approval from CEO - International
Illegal or unethical activities	Prohibited			
≤ P1,000	X	×	×	×
> P1,000 up to P2,500	✓	✓	×	×
> P2,500 up to P15,000	✓	✓	✓	×
> P15,000	✓	✓	✓	✓



c. Non customers and non-Third Parties/APs

Entertainment received under this category need not be recorded in the Gifts and Entertainment Register by the entertainment recipient.

5.1. Receiving Gifts

- a) **Gifts of cash or cash equivalents is strictly prohibited.** This includes cash, bonds, negotiable securities, personal loans, guarantees, and other forms of securities.
- b) Token gifts of no resale value do not require approval or recording. This includes:
  - gifts received during official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to guests attending the event); and
  - door gifts (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events and deemed as part of the provider's brand building or promotional activities.
- c) Directors and Employees are discouraged from receiving gifts in other circumstances. In situations where the Directors and Employees are unable to decline the gift, they must take one of the following actions:
  - distribute the gift as long as such practice does not cause improper influence, bribe or corrupt any party;
  - nominate a charity to have the gift redirected as a donation, and have the donation made under **ELGAP's** name. Where possible, the recipient should notify the person(s) who offered the gift that the gift has been donated to a charity;
  - donate an equivalent amount to charity if the recipient opts to retain the gift; or
  - accept the gift on behalf of **ELGAP**. In such cases, the gift is the property of **ELGAP** (e.g. for display at its premises).
- d) Gifts received must be recorded in the Gifts and Entertainment Register by the recipient within 10 working days from the date of receipt of the gifts.
- e) Every 6 months (not later than January 5 and July 5 of every year), ICOs and DICOs of respective units shall submit to Compliance Management Department a Certification which includes a summary of the details of the Registry covering 6 months prior to the reporting period. A certification shall still be submitted even if there is nothing to report

5.2. Receiving Entertainment from Customers, Third Parties or APs

- a) Receiving entertainment which is illegal or unethical is strictly prohibited.
- b) The value of entertainment received must be estimated based on market rates where available. If market rates are not available, the value must be estimated based on the value of similar types of entertainment.
- c) If the entertainment occurs outside of the home country where the Directors and Employees are based, the limits of the location where the entertainment occurs shall apply.

Issue Date: \_\_\_\_\_

ELGAP Anti-Bribery and Corruption (AB&C)

d) Approvals must be obtained by the recipient:

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Issue Date: \_\_\_\_\_

ELGAP Anti-Bribery and Corruption (AB&C)

- before the entertainment date if the entertainment offer is made at least 10 working days before the entertainment date; and
  - up to 10 working days after the entertainment is offered if the offer of the entertainment is made less than 10 working days before the entertainment date.
- e) If the post approval request is rejected by the authorized approver, this will be recorded as an incident of non-compliance.
- f) Estimated per person entertainment spend above P1,000 that is accepted must be recorded in the Gifts and Entertainment Register by the entertainment recipient within 10 working days of receiving the entertainment.

### 5.3. Attending Events Organized by or Paid for by External Parties as a Speaker or Panelist

- a) Employees invited as speakers or panelists at third party events are allowed to be reimbursed for reasonable expenses subject to the following conditions:
- Department Head pre-approval is obtained;
  - there is an invitation letter addressed to the Director or Employee clearly setting out the agenda of the event, the topic for speaker or panelist and expenses to be covered by the third party;
  - the amount is not excessive and similar to expenses generally paid or received in similar situations; and
  - there is no potential or actual Conflict of Interest.
- b) The requirements specified above still apply even in situations where expenses are not reimbursed by the third party.
- c) Directors and Employees are allowed to accept speaker fees which is deemed reasonable and in accordance with the industry rate. The speaker fees must be declared to Human Capital Head prior to the event.

### 5.4. Attending Events Organized by or Paid for by External Parties as an Attendee

- a) Attendance at third party events in the Director or Employee's personal capacity is not prohibited under this Procedure, provided that there is no potential or actual Conflict of Interest.
- b) If the event has a fee which is waived or paid for by an external party, the Directors and Employees are allowed to attend the event, but subject to the following conditions:
- pre-approval is obtained;
  - the nature and subject of the event is relevant to the Director or Employee's role at the bank;
  - the fees paid or waived is not excessive; and
  - there is no potential or actual Conflict of Interest.
- c) Travel and accommodation costs must be borne by the Directors or Employees. If paid by the external party, the same should be disclosed upon obtaining approval.

## 6. DONATION AND SPONSORSHIP

- a) All donations and sponsorships must be escalated to **ELGAP** Corporate Affairs for review and endorsement to the PCEO for final approval. **ELGAP** Corporate Affairs is responsible for reviewing donation or sponsorship requests, in line with the procedures defined in this section. *(Please refer to Appendix 5 - Donation and Sponsorship Assessment Template\_Individual and Appendix 6 - Donation and Sponsorship Assessment Template\_Corporate)*
- b) In addition to the Procedure:
  - All scholarship awards must be escalated to Maybank Foundation for review and approval.
  - Sponsorship events organized by Corporate Marketing are also subject to internal guidelines issued by Corporate Marketing.

### 6.1. Assessing Donation or Sponsorship Requests

Requests must be made in writing directly to **ELGAP** Corporate Affairs, and at a minimum, include the following details:

- i. identity of the recipient and the requestor (if different);
- ii. purpose, including the following (if applicable):
  - activities which will be funded by the donation or sponsorship;
  - activities that can be linked to the donation or sponsorship (e.g. appreciation dinner); and
  - names of other organizations, or groups of organizations involved in the donation or sponsorship drive.
- iii. amount required;
- iv. breakdown of planned fund usage (for fund requests);
- v. expected impact on the intended beneficiaries;
- vi. existing relationship of recipient, their senior management or Beneficial Owners with **ELGAP**, Directors or Employees;
- vii. other potential relationships that may cause a Conflict of Interest; and
- viii. Bank account number.

**ELGAP** Corporate Affairs must ensure that due diligence checks have been performed on the recipient and the requestor:

- i. Where the recipient or requestor is not an existing customer, **ELGAP** Corporate Affairs must perform the necessary due diligence checks themselves, which include background (e.g. identification) and screening checks (e.g. adverse media, sanctions) on the recipient and requestor, their Senior Management or Beneficial Owners; or
- ii. Where the recipient or requestor is an existing customer, existing AML customer due diligence checks can be relied on as long as the latest refresh occurred or the customer was onboarded within the past 12 months. If this is not the case, **ELGAP** Corporate Affairs must ensure that customer due diligence is completed and approved by the respective business owning the customer relationship prior to making a decision on the request, or undertake the checks themselves as defined in this section.

Request with the following triggers must be escalated to **ELGAP** Compliance for review and comments:

- i. originates from a Customer, AP or Third Party who is currently (re)negotiating contracts with **ELGAP**;
- ii. originates from or involves a PEP/ Public Official/ Foreign Public Official;
- iii. is made on behalf of a PEP/ Public Official/ Foreign Public Official;
- iv. can influence government action or decision;
- v. involves activities or transfer of funds to a high risk country, as specified in AML high risk country list;
- vi. involves sums of money and/or activities which could lead to actual or potential acts of Bribery or Corruption; or
- vii. other red flags related to Bribery and Corruption are detected, for example:
  - the recipient refuses to provide adequate documentation or suggests that the donation or sponsorship may only be made anonymously;
  - the donation or sponsorship is directed to a bank account in a third country (other than a country where a recipient is based or carrying out activities);
  - the recipient is providing gifts or travel, lodging, meals, or entertainment to PEPs/ Public Officials/ Foreign Public Officials in connection with its charitable activities;
  - the funds will be used, in whole or in part, to hire third parties who have connections with PEPs/ Public Officials/ Foreign Public Officials or who have been identified or suggested by a PEP/ Public Official/ Foreign Public Official;
  - requests for donations or sponsorships are made by the same recipient more than once over the span of one year;
  - conditions attached to a donation or sponsorship mean that **ELGAP** would be a vehicle for transferring funds from one individual or organization to another without being able to satisfy that the funds have been used as intended;
  - there is a risk that a commercial transaction could be influenced, as a result of the provision of the donation or sponsorship; or
  - there is a risk that the funds can be regarded as an inducement or reward for a deal or transaction.

Recipients must be issued a donation or sponsorship award letter containing **ELGAP**'s decision to accept or reject the request. For accepted requests, award letters must contain, at a minimum, the following provisions:

- i. funds will solely be used for the intended lawful purpose specified within the formal written request, and evidence of such can be provided to **ELGAP** upon request;
- ii. the recipient has adequate processes and controls to govern and monitor the proper administration of the funds, including checks on persons involved in administering the funds;
- iii. the provision of the funds will not result in potential or actual improper advantage to **ELGAP**; and
- iv. the provision of the funds will not act as an inducement or reward, and cannot influence the outcomes of **ELGAP**'s commercial transactions with others.

Requests, including those which were rejected must be recorded in the Donations and Sponsorship Register by **ELGAP** Corporate Affairs no later than 10 working days after the decision on the request is made.

## 7. MANAGING CONFLICT OF INTEREST

Directors and Employees must consult with **ELGAP** Human Capital if there is actual or potential Conflict of Interest, if it is unavoidable.

Based on consultation with **ELGAP** Human Capital, appropriate action must be taken, including:

- i. the Director or Employee must remove themselves from the situation causing the Conflict of Interest;
- ii. it may be appropriate to disclose the Conflict of Interest to the parties involved; and
- iii. details of the Conflict of Interest must be recorded, as well as actions taken to manage the Conflict of Interest.

## 8. MERGERS, ACQUISITIONS AND JOINT VENTURES

The department/entity acquiring the investment target must undertake the following procedures prior to the completion of the transaction:

- i. to identify and understand the investment target's ownership and management structure;
- ii. to perform screening (e.g. adverse news on AB&C) on the investment target's Senior Management and Beneficial Owners;
- iii. to identify apparent significant exposure or risks related to Bribery or Corruption; and
- iv. to assess the existence and adequacy of the investment target's AB&C Policy.

The department/entity acquiring the investment target must assess the need to perform the additional procedures as defined below, and undertake these as necessary, prior to the completion of the transaction:

- i. to undertake more extensive due diligence assessment, including audits, to further assess the adequacy of the investment target's AB&C programme:
  - assess the investment target's tone from top including commitment towards preventing Bribery and Corruption;
  - understand the investment target's AB&C programme, which can include assessing the design and operating effectiveness of processes and controls which support, manage or monitor activities where Bribery or Corruption could arise; and
  - understand how the investment target manages and monitors its AP relationships.
- ii. to undertake remedial actions to manage deficiencies in the investment target's AB&C programme, which could include requiring the investment target to adopt an adequate AB&C programme which is equivalent to that of **ELGAP**;
- iii. to report Bribery or Corruption-related activities identified to **ELGAP** Compliance for appropriate action;
- iv. require written representations of the investment target's Anti-Bribery compliance prior to the completion of the transaction (e.g. acquisition), and on an ongoing basis where deemed necessary (e.g. joint venture); and
- v. where appropriate, include warranties or indemnity provisions in the purchase agreement so **ELGAP** is compensated for damages, penalties or remediation costs arising from deficiencies in the investment target's existing AB&C programme.

ELGAP Compliance must be consulted in circumstances where red flags related to Bribery and Corruption are detected.

## 9. EMPLOYMENT AND HIRING

ELGAP Human Capital is responsible for performing the procedures defined in this section.

### 9.1. Employee Selection

- a) Candidates applying for employment with **ELGAP** must be assessed based on selection criteria defined by the recruiting unit.
- b) **ELGAP** Human Capital is required to perform background checks on the candidate by obtaining written references from his or her previous employers.
- c) Candidates applying for employment are required to declare actual or potential Conflict of Interest that could arise from their employment with **ELGAP**, including, but not limited to:
  - family members and/or close relatives who are existing Employees of **ELGAP**, in line with the Maybank Group Close Relatives Working within Maybank Policy;
  - existing relationships with Directors or Employees;
  - other reasons that could cause a Conflict of Interest in their employment (e.g. relationship with major customer or APs who have ongoing contracts or business relationship with **ELGAP**); or
  - connections to PEPs, as these may give rise to increased Bribery and Corruption risk.
- d) Referrals from Directors and Employees are permissible. However:
  - the person being referred must be subject to the same selection process and criteria as other candidates; and
  - the Director or Employee who referred the person must not be involved in the hiring or selection process.
- e) The compensation offered must be within the standard range for the position. The offering of excessive or extra benefits to the candidate is strictly prohibited.

### 9.2. Screening on Prospective Directors and Employees

- a) Prospective Directors and Employees must be subject to initial screening prior to joining **ELGAP**. Screening must include checks to identify and assess potential Bribery and Corruption risks, such as:
  - criminal charges, conviction and allegations;
  - bankruptcy;
  - litigation and disputes;
  - connections to PEPs; and
  - other potential indicators of Bribery and Corruption.

- b) Where a hit is identified during the screening process, **ELGAP** Human Capital must review and ascertain if the hit(s) are true or false positives:
- where the hit is determined to be a false positive, the rationale for discounting the hit must be recorded on the prospective Director or Employee's file; and
  - where the hit is determined to be a true positive, these results must be escalated to the respective hiring decision maker(s) to take into consideration when making the hiring decision. If Bribery and Corruption-related hits are identified, this must be escalated to **ELGAP** Compliance for advice and thereafter to the hiring decision maker(s).

### 9.3. Ongoing Screening

Name screening must be re-performed in the following situations:

- the Employee transitions into a High Risk role;
- whistleblowing concerns have been raised or upon detection of adverse news against the Employee; or
- Employee has returned to work after a period of absence, such as sabbatical leave or unpaid leave.

Rescreening process must be performed in accordance to the screening check as defined above in Section 9.2 a). Screening records must be documented in the respective Employee personnel files.

In the event there are hits during the rescreening process, **ELGAP** Human Capital must take action as described in Section 9.2 b) above.

## 10. MONITORING AND ENFORCEMENT

**ELGAP** Compliance must monitor and test processes and controls which support the following activities:

- i. AP on-boarding and ongoing due diligence;
- ii. payments (e.g. to AP, donation or sponsorship recipients etc.);
- iii. employment and hiring;
- iv. gifts and entertainment;
- v. donations and sponsorship; and
- vi. training and awareness.

The approach in monitoring and testing must be aligned with the governance framework and the 'three lines of defense' model as defined under the **ELGAP** Compliance Framework:

#### a) First Line of Defense (1LoD) - Business and support units

- i. Monitor and test the adequacy and effectiveness of their AB&C processes and controls on an ongoing basis (self-assessment), in line with the testing procedures and scheduled self-defined by 1LoD and communicated to **ELGAP** Compliance.



ii. 1LoD can undertake the following actions:

- to identify gap via self-assessment and it must be performed by appropriate personnel other than those involved in executing the processes and controls;
- to report the outcomes of the self-assessment performed (gaps identified and proposed remedial action) to **ELGAP** Compliance and Department Head; and
- to consult **ELGAP** Compliance on proposed changes to processes and controls, at a minimum, in the following circumstances:
  - ✓ as a result of the self-assessment performed;
  - ✓ when designing new products, channels or business pursuits; or
  - ✓ proposed departure from the requirements contained in this Procedure must be documented and referred for review and approval.

b) Second Line of Defense (2LoD) - **ELGAP** Compliance

- provide consultative advice and education on AB&C compliance matters and regulatory requirements;
- undertake risk assessments and independent monitoring on compliance to AB&C regulatory requirements;
- evaluate the adequacy of controls in place to mitigate Bribery and Corruption risks, which includes performing periodic independent review and testing of records to ensure that the requirements contained in the AB&C PP are adhered to;
- review AB&C related records to, at a minimum ensure that these are complete and accurate, and allow **ELGAP** to demonstrate compliance with the requirements contained in the AB&C PP;
- follow up with relevant 1LoDs on the completion of 1LoD remedial actions (e.g. to fix identified gaps or in accordance with the dispensation request action plan), based on established deadlines;
- report to the Board and Management Committee on Bribery and Corruption-compliance related matters including gaps identified and mitigation activities; and
- 2LoD must at a minimum, report the outcomes of their evaluation (gaps identified and proposed remedial action) to the responsible Department Head of the business subject to monitoring.

c) Third Line of Defense (3LoD) - **ELGAP** Internal Audit

- conduct independent reviews to assess and report on the adequacy and effectiveness of **ELGAP**'s AB&C programme, which includes the effectiveness of AB&C processes and controls. Internal audit reviews on AB&C must be conducted on a periodic basis, as deemed appropriate; and
- at a minimum, report the outcome of the reviews to the accountable Department Head of the audited unit, **ELGAP** Compliance, Senior Management and the Board.

**ELGAP** must consider the need for an independent review by a qualified and independent third party at least once every three years to obtain assurance that **ELGAP** is operating in compliance with its Policies and Procedures that supports its AB&C framework.

## 11. MANAGEMENT INFORMATION REPORTING

AB&C management information requirements must be defined by **ELGAP** Compliance and approved by the Chief Compliance Officer. This must include, at a minimum:

- AB&C metrics, its associated definitions and data requirements;
- thresholds associated with each AB&C metric, taking into consideration **ELGAP**'s risk appetite;
- frequency of distribution of AB&C management information;
- target audience; and
- presentation format.

The AB&C management information reported must cover, at a minimum the following activities:

- AP on-boarding and ongoing due diligence;
- payments (e.g. to AP, donation or sponsorship recipients etc.);
- employment and hiring;
- gifts and entertainment;
- donations and sponsorship; and
- training.

**ELGAP** Compliance must communicate management information requirements to 1LoD, who will be expected to:

- establish processes and controls that can provide the required information to calculate the defined AB&C metrics; and
- provide accurate and timely information to **ELGAP** Compliance, as and when required.

**ELGAP** Compliance must consolidate the information received from 1LoD and ensure this is provided to the defined target audience in the format and frequency agreed with the Chief Compliance Officer.

Threshold breaches above the Board's defined risk appetite must be reported as soon as possible to the Board and Management Committee with the proposed management action plan to resolve the breach.

In instances where additional management information is requested by Management Committee, the Board or regulators for a legitimate reason, information must not be withheld or delayed without reasonable cause.

## 12. RECORD KEEPING

Records must be properly retained for a minimum period of 10 years and in a format that can be accessed when required. If a longer retention period for documents is set out in a separate Policy or Procedure document, the longer retention period must apply.

The following records must be developed and retained for the necessary period defined above:

AB&C Process	Minimum documentation required	Process owner
AB&C risk assessment	<ul style="list-style-type: none"> <li>a) Approach and methodology used</li> <li>b) Key assumptions and limitations</li> <li>c) Results of assessment, including required remedial action, action owner and implementation plans</li> <li>d) Board acceptance of risk assessment results</li> </ul>	ELGAP Compliance
AP Management	<ul style="list-style-type: none"> <li>a) Identity and service provided by AP</li> <li>b) Due diligence procedures performed and associated outcomes</li> <li>c) Approvals received including rationale for acceptance or refusal of relationship</li> <li>d) Signed agreements or contracts containing AB&amp;C contract clauses or contractual safeguards</li> <li>e) Evidence of AP monitoring and outcomes</li> </ul>	Departments/entities which manage AP engagement
Gifts and entertainment	<ul style="list-style-type: none"> <li>a) Sufficient details to enable identification of the gifts, entertainment provided, received or respectfully declined               <ul style="list-style-type: none"> <li>✓ Involved parties</li> <li>✓ Nature and value of underlying items</li> <li>✓ Approvals received</li> </ul> </li> <li>b) Supporting documents to substantiate the details as specified above</li> </ul>	Departments or entities
Donations and sponsorships	<ul style="list-style-type: none"> <li>a) Sufficient details to enable identification of the donations or sponsorship provided or received               <ul style="list-style-type: none"> <li>✓ Involved parties</li> <li>✓ Activity undertaken or funded</li> <li>✓ Approvals received</li> </ul> </li> <li>b) Supporting documents to substantiate the details as specified above</li> </ul>	Corporate Affairs
Employment and hiring	<ul style="list-style-type: none"> <li>a) Screening results performed upon hiring, and on an ongoing basis (where available)</li> <li>b) Training records</li> </ul>	ELGAP Human Capital
Breaches log	<ul style="list-style-type: none"> <li>a) Sufficient details of the breach identified</li> <li>b) Resulting actions taken to report and resolve the breach identified</li> </ul>	Departments/entities
Review assessments	<ul style="list-style-type: none"> <li>a) Scope, approach and procedures performed</li> <li>b) Documents reviewed and persons interviewed</li> <li>c) Results of assessment including required remedial action, action owner and implementation plans</li> </ul>	Departments/entities
Mergers, acquisitions, and joint ventures	<ul style="list-style-type: none"> <li>a) Due diligence procedures performed and associated outcomes</li> <li>b) Approvals received including rationale for acceptance or refusal of relationship</li> <li>c) Signed agreements or contracts containing AB&amp;C contract clauses or contractual safeguards</li> </ul>	ELGAP Business Development

### 13. TRAINING AND AWARENESS

- a) Directors and Employees must complete mandatory AB&C training on an annual basis.
- b) The training must cover the following, at the very minimum:
  - an understanding of AB&C requirements;
  - key developments in AB&C laws and regulations;
  - an understanding of domestic and international Bribery and Corruption laws and regulations, including what is strictly prohibited, and the consequences and risks of breaching the law at an individual and organizational level;
  - an awareness and understanding of the requirements of the AB&C Policy and Procedure, including their roles and responsibilities in preventing or detecting Bribery or Corruption;
  - red flags that Employees may encounter in their day to day work that may be indicative of Bribery and Corruption risk; and
  - the escalation channel or process for escalating Bribery and Corruption related concerns.
- c) Role or business specific comprehensive training must be provided to Directors and Employees who perform activities that may be exposed to greater Bribery and Corruption risk, which is in addition to the mandatory AB&C training.
- d) Refresher training must be conducted as often as necessary.

### 14. HELP DESK

Queries or clarifications related to this Procedure should be escalated to ELGAP Compliance.

Name	Department	Contact Number / Email
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# WHISTLEBLOWING POLICY OF ETIQA LIFE AND GENERAL ASSURANCE PHILIPPINES, INC.

**Version: 1.0**

**Policy Owner: Compliance Department**

**Last Annual Review: N/A**

**Last Updated: N/A**

**Effective Date:**

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**Reviewed by**

**Approved/Endorsed by**

**This Policy has been presented and deliberated at the following:**

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**1.0 POLICY STATEMENT**

ETIQA Life and General Assurance Philippines, Inc., “ELPGAP” (formerly known as AsianLife & General Assurance Corporation) is committed to the highest standard of ethics and integrity in its conduct of business and operations. As part of this commitment, ELGAP has in place an avenue for disclosure of any improper conduct.

**2.0 OBJECTIVES OF THIS POLICY**

The objective of this policy is to ensure that all employees and members of the public have access to secured channels to make disclosures on any improper conduct by any member or representative of ELGAP, with the assurance that there will be no repercussion against them.

**3.0 SCOPE**

Improper conduct includes, but is not limited to:

- Bribery and corruption;
- Fraud, theft or embezzlement;
- Abuse of power by an employee;
- Conflict of interest;
- Breach of the Market Conduct Guidelines;
- Breach of ELGAP’s Code of Conduct;
- Failure to comply with legal and regulatory obligations (Data Privacy Act, Anti-Money Laundering Act and Counter Terrorism Financing);
- Unauthorized disclosure of customer information; and
- Concealment of any of the above.

Any person who is aware of, or has reasonable grounds to suspect that, any improper conduct has been committed by an employee or representative of ELGAP can make a disclosure.

**4.0 DISCLOSURE CHANNELS**

Disclosures can be made via any of the following channels:

<b>Hotline</b>	24 hours toll free number _____ for overseas with _____ secured voice recording
<b>E-mail</b>	<a href="mailto:whistleblowing@etiqa.com">whistleblowing@etiqa.com</a>
<b>Letter</b>	

Whistleblowers are encouraged to include the following information in the disclosure to facilitate investigations:

- Name of person(s) involved;
- Date and time of the event;
- Nature of the event;
- Witness to the event, if any; and
- Evidence of the event, if any.

## **5.0 CONFIDENTIALITY AND PROTECTION OF WHISTLEBLOWER**

The identity of a whistleblower who made a disclosure in good faith will be kept confidential and will only be disclosed on a strictly need-to-know basis. Employees who whistle blow in good faith will also be protected by ELGAP from any repercussion.

## **6.0 WHISTLEBLOWING GOVERNANCE COMMITTEE**

ELGAP's Whistleblowing Governance Committee is chaired by the President/ CEO with the following members:

Human Capital Officer  
Risk Officer and;  
Compliance Officer

The governance committee provides oversight to ensure that disclosures made via the whistleblowing channels are accorded with adequate attention, independence, investigation and remedial action, where necessary.



# WHISTLEBLOWING PROCEDURES OF ETIQA LIFE AND GENERAL ASSURANCE PHILIPPINES, INC.

**Version: 1.0**

**Procedures Owner: Compliance Department**

**Last Annual Review: N/A**

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## 1. Overview

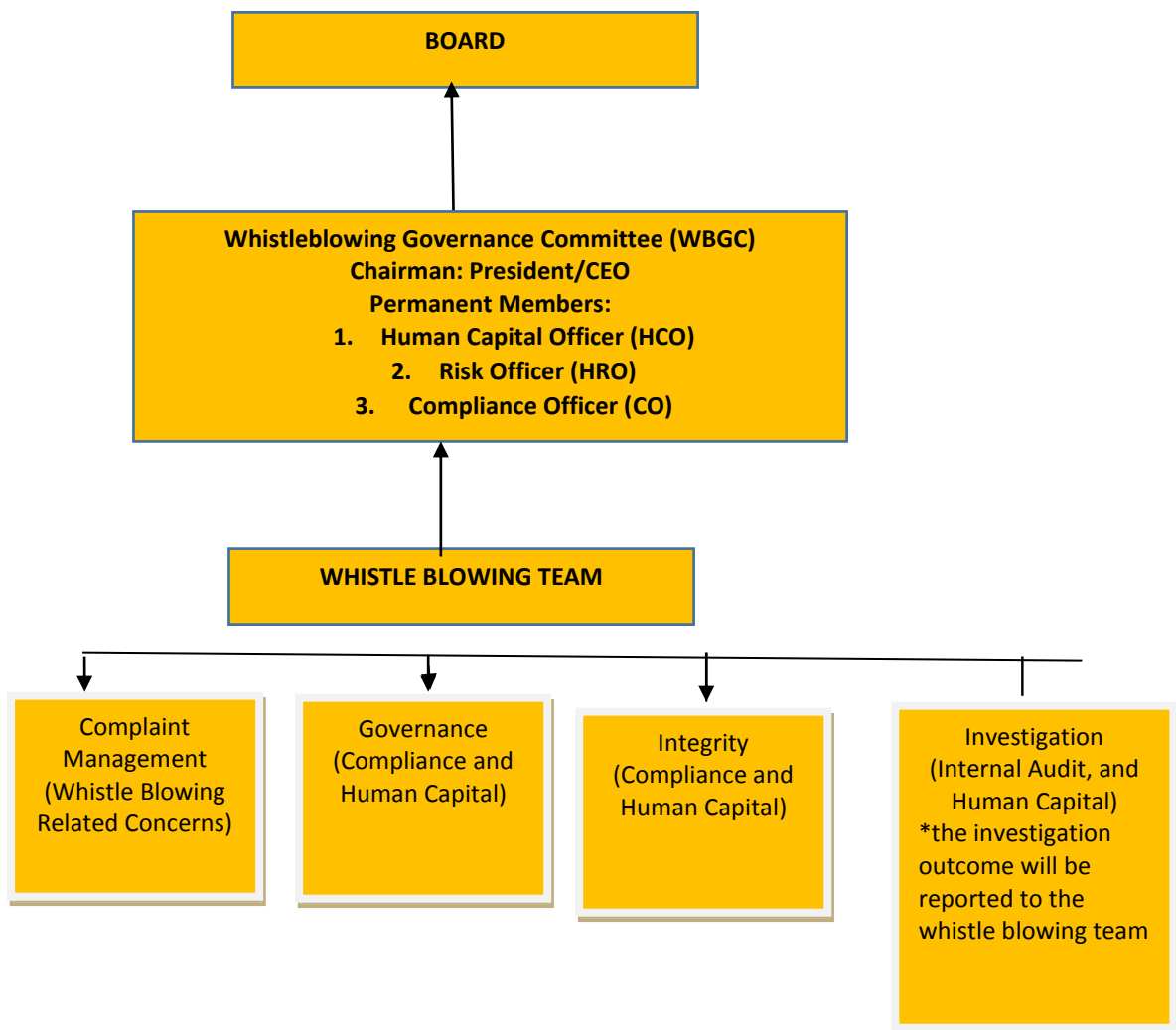
The ELGAP Whistleblowing Procedures (“Procedures”) supports the Maybank Group Whistleblowing Policy (“Policy”) in setting out the detailed steps in the handling of the whistleblowing concerns. This Procedures is not intended to be a substitute for personal discretion and readers are expected to exercise sound judgment to meet the objectives of this Procedures.

## 2. Owner of the Procedures

This Procedures is owned by **Compliance Department (“CD”)** and must be reviewed on annual basis, or as and when there are changes to the Policy. Revision to this Procedures must be approved by the **Whistle Blowing Governance Committee (“WBGC”)**.

## 3. Governance Structure

The oversight and governance structure of the ELGAP’s Whistleblowing Process is as per the diagram below:



#### 4. Roles and Responsibilities

- **Whistleblowing Governance Committee (“WBGC”)**
  - Review and assess the adequacy of the policies and procedures in line with the requirements for ELGAP;
  - Evaluate, deliberate and decide (approve or reject) the closure and/or closure steps of investigation on whistleblowing cases and to make recommendations, where required; and
  - Review and deliberate on management indicators such as the statistic on cases received from the whistleblowing channels, nature of the cases received, trend analysis, cases proposed for closure and cases under on-going investigation.
  - ELGAP’s Whistleblowing Governance Committee is chaired by the President/ CEO with the following members:  
  
Human Capital Officer  
Risk Officer and;  
Compliance Officer
- **Compliance Officer (“CO”)**
  - Provide oversight and ensure an effective ELGAP’s Whistleblowing Framework; and
  - Review and escalate whistleblowing concerns raised against the Management Committee Members to the Chairman of the WBGC or the Board, whichever is appropriate.
- **Whistleblowing Team (WT)**
  - Evaluate and filter all whistleblowing concerns received, to exclude non-improper conduct issues (e.g. customer service complaints). Based on the nature of the concern, the team will escalate the whistleblowing concern to the designated investigation party (refer to Section 6);
  - Monitor and follow-up on the outcome of all cases escalated to other parties for investigation; and
  - Consolidate, evaluate and report all cases received, status of investigation and outcome of investigation to the WBGC; and
  - Table the statistics, status of investigation of whistleblowing cases and outcome of the investigations to the WBGC.
- **Internal Audit (“IA”) and Human Capital (“HC”)**
  - Validate the claims by the whistleblower to ascertain whether the claim is substantiated and a prima facie can be established;
  - Complete the investigation process in accordance to the agreed turnaround time/service level agreement;

- Exercise due care to protect the confidentiality of the whistleblower and disclose information only on need-to-know basis; and

Provide ongoing updates to the Whistleblowing team for reporting to the WBGC.

## 5. Handling of Whistleblowing Concerns

The concerns from the secured channels (i.e. email, letters and hotline) will be retrieved by the Whistleblowing team and the designated representatives from Human Capital. This is to ensure that there is a check-and-balance process and all concerns are to be handled professionally. All concerns received shall be treated with the strictest confidentiality, captured and tracked in a centralized database maintained by the Whistleblowing team in the Compliance Department.

- **E-mail** - Copies of all emails received will be channeled to 2 mailboxes, each maintained independently by Whistleblowing team and Human Capital. The emails from the 1<sup>st</sup> mailbox will be reviewed by the Whistleblowing team on daily basis, and all emails and concerns noted will be updated in a tracker. A representative from Human Capital will verify the tracker against the emails in the 2<sup>nd</sup> mailbox to ensure that all concerns are correctly captured.
- **Hotline** - All calls received via the hotline will be stored in a call-logger application. No one has access to delete the calls including the administrator and vendor of the application. An officer from Whistleblowing team will listen to the calls on a weekly basis, and all calls and concerns will be updated in a tracker. A representative from Human Capital will verify the tracker by listening to the calls independently to ensure that all concerns are correctly captured.
- **P.O. Box** - The key to the letter box will be stored in a safe deposit box which requires 2 officers (1 officer from Whistleblowing team and another officer from Human Capital) to unlock. Both officers will also be retrieving the letters together from the letter box on a weekly basis. All letters received will be opened in the presence of both officers.

The Whistleblowing team will review and perform a preliminary evaluation to ascertain if the concern meets the scope of Reportable Improper Conduct as stated in the ELGAP Whistleblowing Policy. Thereafter, the complaint/concern will be escalated to the designated investigation party (refer to Section 6) **within 2 working days**.

Where there is insufficient information to proceed with an investigation, the Whistleblowing team will follow-up with the whistleblower, via any possible mean, to request for further information. If there is no response from the whistleblower within **14 days** of the follow-up, the Whistleblowing team will table the concern to the WBGC and propose the next course of action.



## 6. Investigation of Whistleblowing Concerns

Upon evaluation by the Whistleblowing team, all concerns that meet the scope of Reportable Improper Conduct as stated in the ELGAP's Whistleblowing Policy will be escalated to the designated investigation party. Generally, for concerns related to people issue such as harassment, unfair treatment from line manager/reporting manager etc. will be escalated to Human Capital for investigations while other concerns will be escalated to Internal Audit to investigate.

- Human Capital
  - Significant breach of ELGAP's Code of Ethics and Conduct; or
  - Bullying and harassment of Employee (i.e. unfair treatment from line manager/reporting manager etc.)
  
- Internal Audit
  - Fraud, bribery and corruption;
  - Unauthorized disclosure of customer information;
  - Breach of ELGAP's internal policies and procedures
  - All other concerns which are related to customer complaint in nature, such as complaints about ELGAP's products and services.

The outcome of all investigations by IA and HC will be updated to the WBGC.

Employees (including investigators and members of the Whistleblowing team) who have conflict of interest shall declare and **exclude themselves** from the investigation and with no access to files or records or be made privy to any information related to the investigation.

All investigations must be completed by HC or IA **within 28 calendar days**. Should there be a need for an investigation to be conducted for more than 28 calendar days, the investigation party should provide justifications for the extension. Whistleblowing team should highlight the case to WBGC for their awareness and concurrence.

## 7. Confidentiality of Identity of the Whistleblower

All parties involved in the management, investigation and decision making of a whistleblowing cases must act in the following manner:

- Maintain complete confidentiality/secretcy of the identity of the whistle blower and the concern raised at all times;
- When further information/data is required from other stakeholder to facilitate the investigation, the investigator must be discreet and only disclose minimal information on the concern on need-to-know basis only to the stakeholder;

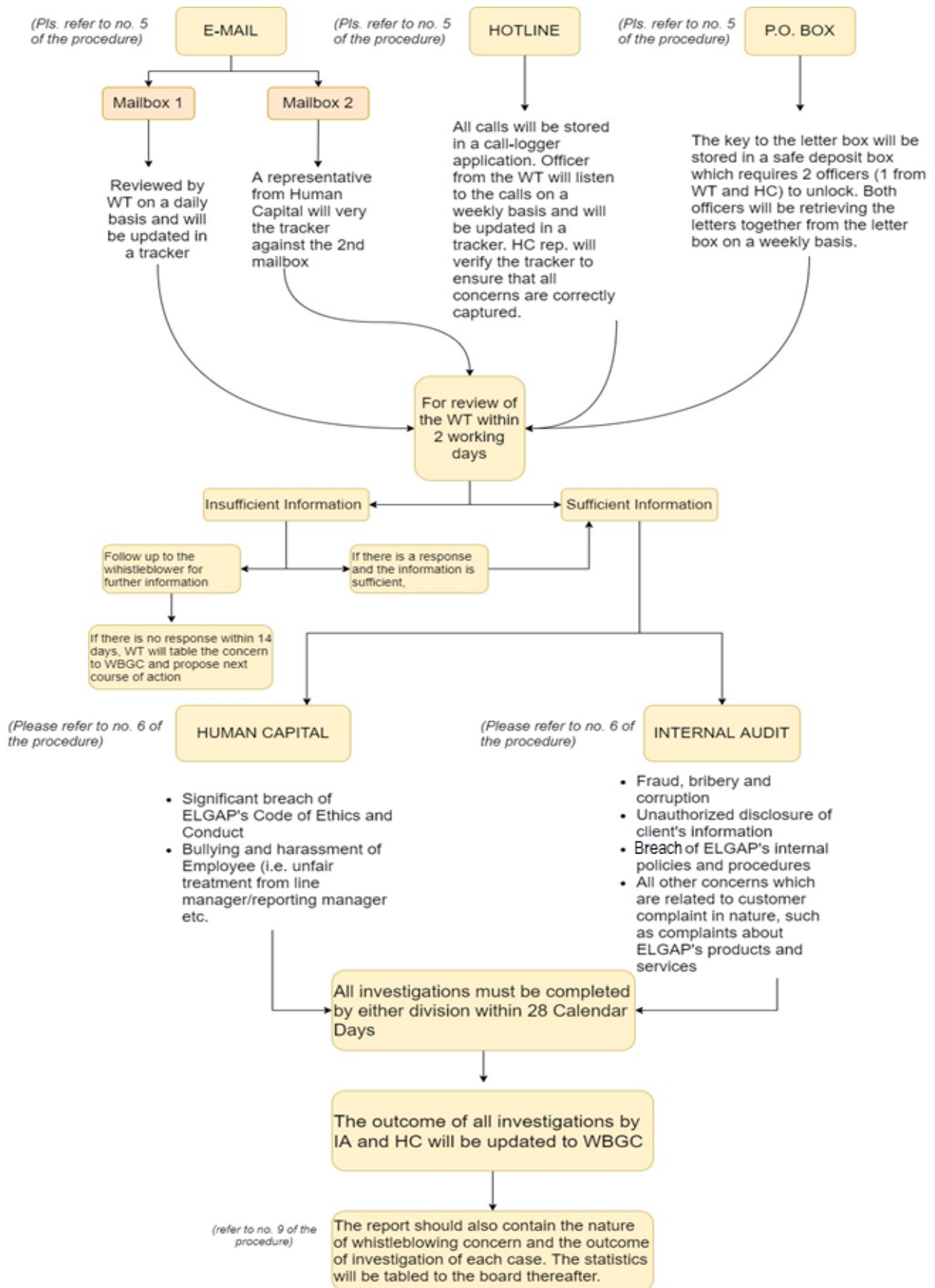
- Discussion is to be made with authorized personnel only or with the persons required for the purpose of completing the investigations and inquiries. Non-compliance to this constitutes misconduct and will be subject to disciplinary action as spelt out in the ELGAP's Code of Conduct and other Internal Policies;
- Maintain records/reports in a secured environment and under lock-and-key when away from work station;

## **8. Record Keeping**

All whistleblowing related records shall be classified as “**Highly Confidential**” and managed accordingly. The retention period for the said document shall be in accordance to regulatory requirement on record-retention such as stated in the Data Privacy Act of the 2012.

## **9. Reporting**

Once every two months, the Whistleblowing team will table the ELGAP's whistleblowing statistics, comprising of completed cases and ongoing cases, to the WBGC. The report should also contain the nature of whistleblowing concern and the outcome of investigation of each case. The statistics will be tabled to the Board thereafter.



**Annex A- Whistleblowing Procedure Flowchart**