



LABUAN IBFC INCORPORATED SDN BHD

ANTI-BRIBERY AND CORRUPTION POLICY

1.0 INTRODUCTION

- 1.1 This Anti-Bribery and Corruption Policy (“ABC Policy” or “this Policy”) sets out Labuan IBFC Incorporated Sdn. Bhd. (LIBFC)’s zero-tolerance approach to bribery, corruption, and as well as any form of improper solicitation or unethical influence. LIBFC is committed to upholding the highest standards of integrity, transparency, and accountability in all aspects of its operations. This Policy serves as a guiding framework for all members of the Board, employee and associated third parties in preventing, detecting, and addressing any act of corruption or misconduct.
- 1.2 In order to ensure a consistent and robust approach to anti-bribery and corruption compliance, this Policy must be read together with other related policies and guidelines issued by LIBFC, which collectively support LIBFC’s governance, ethical conduct, and compliance culture.

2.0 OBJECTIVE

- 2.1 This Policy outlines LIBFC’s overarching stance against bribery and corruption in all its forms. It is not intended to be exhaustive, as additional obligations may apply to Board members, employees, and business associates in the course of their duties. All parties covered under this Policy must fully comply with its provisions, as well as all applicable laws, regulations, and internal policies when carrying out their responsibilities.

3.0 SCOPE

- 3.1 This Policy is applicable to LIBFC, including all members of the Board, employees at all levels, and Business Associates who perform work for or act on behalf of LIBFC. Business Associates include but are not limited to agents, consultants, contractors, vendors and any third parties engaged in business dealings with LIBFC.
- 3.2 All Business Associates are expected to comply fully with the provisions of this Policy in the course of conducting business with or on behalf of LIBFC. Non-compliance may result in the termination of business relationships and, where applicable, legal action.

4.0 ABBREVIATIONS AND DEFINITIONS**4.1 Abbreviations**

Abbreviation	Explanation
ABC Policy	Anti-Bribery and Corruption Policy
CEO	Chief Executive Officer
CSR	Corporate Social Responsibilities
Labuan FSA	Labuan Financial Services Authority
LIBFC	Labuan IBFC Incorporated Sdn. Bhd., a subsidiary of Labuan Financial Services Authority (Labuan FSA)
MACC	Malaysian Anti-Corruption Commission
MACC Act	Malaysian Anti-Corruption Commission Act 2009 (Act 694), as amended from time to time
PEP	Politically Exposed Persons

4.2 Definitions

Term	Definitions
Anything of value	Includes but are not limited to the following:- a) Financial value – cash and cash equivalent (e.g. stocks, bonds, equities, discounts, gift vouchers, loans, advances); b) Extravagant hospitality, gifts or entertainment (e.g. travelling and tour expenses paid for a government official or Third Parties, five-star holiday travel received from a supplier); c) Contracts or business opportunities (e.g. promising and offering contractual business opportunities to Third Parties without going through the appropriate processes); d) Offers of employment services (e.g. offering internship placement to a politician's son/daughter, offering employment within LIBFC to contractors' relatives); e) Regulatory approvals or influence a court or arbitration decision (e.g. approval of visas, work permit, custom clearance).
Board	The Board of Directors of LIBFC
Bribery	a) Promises, offers or gifts of "anything of value" (financial or non-financial), whether directly or indirectly, with the intention to induce or reward a person to act or refrain from acting in relation to the performance of that person's duty; or b) Requests, agrees to receive or accepts "anything of value" (financial or non-financial) whether directly

Term	Definitions
	or indirectly with the intention to induce improper performance in relation to the person's duty. Bribery may be 'outbound', where someone acting on behalf of LIBFC attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be 'inbound', where an external party is attempting to influence someone within LIBFC such as a senior decision-maker or someone with access to confidential information.
Business Associate	An external party with whom LIBFC has, or plans to establish, some form of business relationship. This may include clients, customers, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.
Conflict of Interest	When a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making at LIBFC. A situation where personal interest interferes or appears to interfere with objective decision-making at LIBFC.
Corporate Gift	An items given by one organization to another organization or to individuals, typically through appointed representatives, as a gesture of goodwill, appreciation, or brand promotion. These may include promotional items distributed equally to the public during events, trade shows, or exhibitions, as well as gifts presented to the company's Board members and employees in connection with internally or externally

Term	Definitions
	recognized events, functions, or celebrations. Corporate Gifts are given transparently with the appropriate approval of all parties involved and usually bear the company's name and logo. Examples include diaries, table calendars, pens, notepads, and plaques.
Corporate Hospitality	Professional and considerate care extended by LIBFC to its stakeholders or guests during official duties or engagements. This may include the provision of meals, refreshments, accommodation, travel, entertainment, and participation in events such as seminars, conferences, workshops, corporate functions, site visits, or CSR initiatives. Hospitality may take place at various venues including restaurants, hotels, resorts, clubs, concerts, sporting events, or LIBFC premises and may involve services such as guided tours, use of recreational facilities (e.g. spa, golf course), or the provision of equipment and attendants. It may occur with or without the host's personal presence and is intended to foster goodwill and strengthen professional relationships.
Corruption	Abuse of entrusted power for personal gain, encompassing acts such as bribery, fraud, embezzlement, and other dishonest or unethical conduct intended to obtain an undue advantage.
Disclosure	Act of reporting or declaring relevant information, relationships, or activities that may result in actual, potential, or perceived conflicts of interest, bribery risks, or non-compliance with LIBFC's policies or legal requirements. Employees, directors, and third parties

Term	Definitions
	must make timely and accurate disclosures in line with LIBFC's internal procedures, including declarations of gifts, entertainment, sponsorships, political contributions, and related-party transactions.
Donation	Voluntary contributions made by LIBFC whether in the form of cash, goods, services, or other resources to charitable organization, community initiatives, or socially beneficial causes, without any expectation of return, benefit, or brand recognition. Donations are intended solely to support public welfare and must not be used to gain undue influence or as a substitute for sponsorship, promotional activity, or business advantage.
Due Diligence	Process of assessing and verifying the integrity, background, and risk profile of individuals, third parties, business partners, and transactions to ensure compliance with anti-bribery and corruption standards. This may involve evaluating factors such as ownership structure, financial standing, reputation, legal history, and adherence to applicable laws and regulations. Due diligence is a vital safeguard against bribery, fraud, and other forms of misconduct and should be carried out both before entering and throughout the duration of a business relationship.
Employee	Any individual directly engaged by LIBFC under an employment contract, including those on permanent, contract, secondment, or temporary terms, as well as interns and trainees.

Term	Definitions
Entertainment	Activities or events provided to or received by LIBFC employee or external parties for the purpose of building relationships or goodwill in the course of business interactions. This includes, but is not limited to, meals, receptions, sporting events, cultural shows, recreational activities, or leisure outings where LIBFC is the host or participant. Entertainment must be reasonable, proportionate, and aligned with LIBFC's policies, and must not be used to improperly influence any business decision or gain an unfair advantage.
Exposed Position	Any role within the Board or among employees that, based on a formal bribery risk assessment, is considered vulnerable to undue influence or corrupt practices. These roles commonly include, but are not limited to, those involving procurement and contract management, financial approvals, human resources, interactions with government authorities, sales, or any functions that involve negotiation or decision-making with external parties.
External Influences	Any form of pressure, recommendation, or request whether verbal, written, direct, or implied exerted by individuals or entities outside LIBFC, particularly influential figures or government representatives, with the intent to sway decisions, expedite approvals, or secure preferential treatment in applications, procurement processes, or business engagements.
External Parties	Individuals or entities that are not part of LIBFC but have or are expected to have business, regulatory, operational, or strategic dealings with the organisation.

Term	Definitions
	These may include suppliers, vendors, contractors, consultants, agents, service providers, clients, customers, joint venture partners, regulators, government agencies, and other third parties engaged for commercial or compliance-related purposes.
Facilitation Payments	Unofficial, typically small payments or inducements made to public or private sector officials with the intent to expedite or secure the performance of routine, non-discretionary administrative tasks or services that the payer is already legally entitled to. Common examples include payments to hasten customs clearance, visa processing, permit approvals, or utility connections. Such payments are strictly prohibited under LIBFC's Anti-Bribery and Corruption Policy.
Gifts	Anything of value given to or received from any individual or organization with whom LIBFC or the Labuan FSA Group has dealings, either directly or indirectly, in the course of its operations. It is generally offered as a gesture of goodwill, appreciation, or cultural recognition, without the expectation of something in return. Gifts may include, but are not limited to, cash or cash equivalents (e.g. vouchers, shares, lottery tickets), property, vehicles or travel arrangements, entertainment or hospitality services, club memberships, discounts or commissions, and items such as hampers, jewelry, decorative items, or souvenirs. Gifts must not be intended to influence business decisions, obtain unfair advantage, or create a sense of obligation or reciprocity.

Term	Definitions
Gratification	a) money, donation & sponsorship, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage. b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity. c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part. d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction, or percentage. e) any forbearance to demand any money or money's worth or valuable thing. f) any other service or favor of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and g) any offer, undertaking or promise, whether conditional or unconditional, of any Gratification within the meaning of any of the preceding paragraphs (a) to (f).

Term	Definitions
Sponsorship	Support arrangement either financial or in-kind provided by LIBFC to an individual, organization, event, or activity in exchange for the promotion or visibility of LIBFC's brand, reputation, or strategic objectives. It is intended to foster mutually beneficial relationships and may involve brand placement, public recognition, or positive association with causes aligned with LIBFC's values. Sponsorship may include, but is not limited to, monetary contributions, registration fees, travel and accommodation expenses, meals, refreshments, or other related costs necessary to support the sponsored engagement.
Support Letter	Request made by a prominent individual such as a public official, political figure, or person in a position of influence seeking special treatment, privileges, or favorable consideration for a specific individual, company, or organization. Such letters are typically intended to influence decision-making processes and may raise concerns related to impartiality, fairness, or undue influence.

5.0 POLICY STATEMENT

- 5.1 LIBFC adopts a zero-tolerance approach towards bribery and corruption. This stance applies to everyone associated with LIBFC, including the Board, employees, and business associates such as agents, consultants, contractors, vendors, or any third party acting on LIBFC's behalf in any capacity. Each individual is expected to act ethically, uphold LIBFC's values, and avoid any conduct that could be perceived as corrupt or improper.

- 5.2 LIBFC is firmly committed to conducting all business dealings with integrity, honesty, and respect. At the core of this commitment is a clear prohibition against all forms of bribery and corruption in the organisation's daily operations.

6.0 ANTI-BRIBERY AND CORRUPTION COMMITMENT

- 6.1 LIBFC is committed to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations.
- 6.2 LIBFC is committed to conducting its business ethically and in compliance with all applicable laws and regulations in the countries where it operates. These laws prohibit bribery and act of corruption, and mandate that companies establish and maintain accurate books and records, as well as sufficient internal controls and shall include, but are not limited to, the following:
- a) Malaysian Anti-Corruption Commission (MACC) Act 2009 and its amendments;
 - b) Malaysian Penal Code (Revised 1977) and its amendments;
 - c) Companies Act 2016; and
 - d) Any other relevant laws and regulations.
- 6.3 In cases where there is a conflict between mandatory laws and the principles contained in this Policy or any other relevant LIBFC policy, the stricter provision shall apply.
- 6.4 LIBFC recognises that upholding integrity is a collective responsibility. All employees and stakeholders are expected to take ownership of their role in preventing bribery and corruption. Through shared accountability and ethical conduct, LIBFC aims to safeguard its reputation, build public trust, and foster a culture of transparency and good governance.

- 6.5 This Policy is binding at all levels of the organisation and applies to all its representatives. LIBFC fully supports and protects individuals who take a stand against corrupt practices. No employee, director, or business associate shall face adverse consequences such as demotion, penalties, or dismissal for refusing to pay bribes or engage in any form of corruption, even if such refusal results in the loss of business opportunities.
- 6.6 Any breach of this Policy whether through direct involvement in bribery or failure to report known or suspected misconduct will result in strict disciplinary action. This may include, but is not limited to, internal disciplinary measures, dismissal from employment, or termination of business relationships, in accordance with LIBFC's internal procedures and applicable contractual terms. Serious offences may also lead to criminal prosecution under relevant laws.
- 6.7 LIBFC's anti-bribery and corruption measures are developed in alignment with applicable legal and regulatory requirements, including the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) Act 694 (MACC Act), as well as international best practices on Checklist on Adequate Procedures pursuant to Subsection (5) of Section 17A under the MACC Act. The implementation of this Policy is underpinned by five (5) key principles, which collectively form the foundation of an effective anti-corruption framework and a strong defense against corporate liability:

(a)	Top Level Commitment	Leadership plays a vital role in setting ethical standards. LIBFC's senior management and Board of Directors are committed to fostering a culture of integrity and ensuring that anti-corruption values are championed from the top. Their active engagement, oversight, and accountability reinforce the seriousness of LIBFC's stance and demonstrate clear direction to all levels of the organisation.
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(b)	Risk Assessment	LIBFC adopts a structured and proactive approach to identifying and evaluating corruption risks across its functions, departments, and external engagements. This ongoing risk assessment allows the organisation to focus its resources on areas of highest vulnerability and tailor mitigation strategies accordingly. This risk assessment shall be used to establish appropriate processes, systems and controls approved by the top level management to mitigate any specific corruption risks LIBFC is exposed to. For this purpose, it is recommended that a comprehensive risk assessment is done every three (3) years, with intermittent assessments conducted when necessary.
c)	Undertake Control Measures	Informed by the risk assessment, LIBFC implements a suite of policies, standard operating procedures, and internal controls designed to prevent, detect, and respond to bribery and corruption. These controls include due diligence on third parties, financial controls, whistleblowing channels, and restrictions on gifts, hospitality, and donations. They are regularly reviewed and strengthened to address evolving threats.
d)	Systematic Review, Monitoring, and Enforcement	To ensure the effectiveness of its anti-corruption initiatives, LIBFC conducts regular audits, performance reviews, and compliance monitoring. Breaches or suspected violations are subject to prompt investigation and appropriate disciplinary or corrective action. This continuous improvement process reinforces the organisation's accountability and

		compliance culture. The reviews should form the basis of any efforts to improve the existing anti-corruption controls in place in LIBFC.
e)	Training and Communication	LIBFC recognises that policies are only effective when understood and applied. Therefore, ongoing training and communication programmes are conducted to build awareness, educate employees and stakeholders, and reinforce ethical behaviour. The goal is to ensure that everyone understands their role in preventing corruption and feels empowered to speak up without fear of retaliation. The organisation's anti-corruption policy should be made publicly available and should be appropriately communicated to all internal and external stakeholders.

7.0 POLICY OWNER

- 7.1 The Chief Executive Officer (CEO) is the owner of this Policy and is responsible for its implementation, oversight, and periodic review. In the absence of the CEO, these responsibilities shall be delegated to an authorized officer as appointed by the CEO or the Board of Directors.

8.0 KEY OFFENCES AND LIABILITIES UNDER THE MALAYSIAN ANTI-CORRUPTION COMMISSION ACT 2009 (MACC ACT 2009)

- 8.1 All LIBFC Board and employees and associated parties shall be made aware of the key provisions of the MACC Act 2009, which sets out serious offences related to bribery and corruption.

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8.2 The MACC Act applies to a wide range of individuals and organisations, including but not limited to:

- a) Any individual who commits, attempts to commit, or is involved in acts of bribery and corruption in Malaysia;
- b) Any commercial organisation incorporated in Malaysia or carrying on business in Malaysia or elsewhere; and
- c) Any foreign-incorporated company that carries on business or part of a business in Malaysia.

8.3 The four (4) primary offences under the MACC Act 2009 and its penalties include:

Four (4) primary offences under the MACC Act 2009	For individuals convicted under Sections 16, 17, 18, or 23
(a) Soliciting or receiving gratification (bribe) – [Section 16 & Section 17(a)];	(a) Imprisonment for up to 20 years; and
(b) Offering or giving gratification (bribe) – [Section 17(b)];	(b) A fine of not less than five times the value of the gratification, or RM10,000, whichever is higher.
(c) False or misleading claims with intent to deceive – [Section 18];	
(d) Abuse of office or position for gratification – [Section 23].	

8.4 Section 17A MACC Act 2009 governs the offence of corruption committed by persons associated with a commercial organization leading to the organisation being liable for such acts. Section 17A(1) provides that a commercial organization commits an offence if an associated person promises gratification to any person with an intent “to obtain or retain business” or “an advantage in the conduct of business for the commercial organization”. While Section 17A(2) provides that the following penalty for an offence under Section 17A, if a commercial organization is found guilty:

Offences under the Section 17A MACC Act 2009	For commercial organisations convicted under Section 17A
(a) Offence by Commercial Organisation - an associated person promises gratification to any person with an intent “to obtain or retain business” or “an advantage in the conduct of business for the commercial organization”.	(a) A fine of not less than ten times the value of the gratification, or RM1,000,000, whichever is higher; or (b) Imprisonment for up to 20 years; or (c) Both.

8.5 A commercial organisation commits an offence if it fails to prevent corruption by its board, employees, partners, suppliers, service providers, or other associated persons. Board and employees may be held personally liable unless they can prove that:

- a) The corrupt act was committed without their knowledge or consent; and
- b) They had exercised adequate due diligence to prevent such misconduct.

8.6 To establish a legal defence under Section 17A, a commercial organisation must demonstrate that it had adequate procedures in place to prevent associated persons from engaging in corrupt activities.

9.0 EXPECTED BEHAVIOUR: DO’S AND DON’TS

9.1 All LIBFC personnel are expected to uphold the highest standards of integrity and comply fully with this Anti-Bribery and Corruption (ABC) Policy. The following guidelines outline acceptable and unacceptable behaviours to support a culture of ethical conduct:

Do's (You SHOULD)	Don'ts (You SHOULD NOT)
✓ Read, understand and comply with this ABC Policy; ✓ Be vigilant and aware of red flags* that may indicate bribery or corruption risks; ✓ Communicate LIBFC's zero-tolerance stance and the importance of identifying red flags* to your team members and any external parties you are engaging with; ✓ Attend all mandatory anti-bribery and corruption training sessions; ✓ Promptly report any non-compliance with the ABC Policy to Top Management or through LIBFC's official whistleblowing channels.	✗ Participate in any illegal or illicit acts of bribery or corruption; ✗ Misuse your position or the LIBFC name for personal gain or in a way that harms the organisation; ✗ Fail to report known or suspected incidents of bribery or corruption; ✗ Conceal, alter, destroy, or otherwise manipulate information related to incidents of bribery and corruption; ✗ Collude with business associates to make false claims regarding work orders, projects, or the supply of goods and services.

10.0 GIFTS, ENTERTAINMENT, HOSPITALITY AND TRAVEL (GEHT)

(A) General Rule and Guiding Principles

10.1 As a general rule and guiding principle, LIBFC adopts a "No gift Policy" in ensuring that all employees and Board remain independent and impartial in performing their duties and responsibilities where they are prohibited from directly or indirectly soliciting, giving or receiving gifts from any person or organisations in the effort to avoid:

- a) conflict of interest or perception of conflict element of bribery or corruption or the appearance of conflict of interest situations;
- b) accepting any hospitality arising out of any activity associated with

RESTRICTED

responsibilities; and

- c) accepting exclusive or expensive hospitality that can be misinterpreted by others and it is not usually appropriate to accept such an invitation.

10.2 LIBFC may only accept or offer gifts to any third party in the limited exceptions where there is no conflict of interest or elements of bribery or corruption in accepting or offering the gift. The No Gift Policy to exclude the following:

- a) Market collaterals to widely attended event or for publicity, promotional and communication purposes;
- b) Provided unexpectedly and it is not practicable or it is offensive to decline the gift, hospitality or other benefit, and it must be disclosed / declared accordingly.

(B) Receiving of Gifts by LIBFC Board and Employee

10.3 The Board and employees of LIBFC are strictly prohibited from directly or indirectly receiving or soliciting gifts. This includes cash or cash equivalents such as gift certificates, loans, commissions, coupons, discounts, or any similar items.

10.4 It is the responsibility of all Board members and employees to inform external parties involved in business dealings that LIBFC practices a strict “No-Gift” policy, and to request their understanding and adherence to this policy.

(C) Providing of Gifts by LIBFC Board and Employee

10.5 Similarly, LIBFC’s Board and employees are prohibited from directly or indirectly giving, promising, or offering gifts to any external party, in line with the “No-Gift” policy.

10.6 Exceptions are allowed only for gifts related to marketing and promotional purposes, such as door gifts and mementos presented to speakers in lieu of honorarium, and must meet all the following criteria:

- a) Customary and lawful under the circumstances;

RESTRICTED

- b) Not intended to influence, nor perceived to influence, any decision or action by the recipient;
- c) No expectation of specific favor or improper advantage from the recipient;
- d) The recipient's independent judgment remains unaffected;
- e) No corrupt or criminal intent is involved; and
- f) The gift is given in an open and transparent manner.

10.5 All such transactions must be properly documented.

(D) Exceptions to the “No-Gift” Policy

10.6 While LIBFC upholds a strict “No-Gift” policy, limited exceptions for receiving or giving gifts are permitted during the conduct of ordinary business activities, provided the estimated value does not exceed RM500.00 and falls within the following categories:

- a) Corporate gifts marked with company logos, such as pens or diaries;
- b) Tokens of appreciation presented at official events, such as plaques and door gifts;
- c) Perishable items such as food and fruits;
- d) Flowers and plants;
- e) Festive gifts, such as mandarin oranges or hampers.

(E) Examples of Acceptable Gifts

10.7 Some examples of acceptable gifts that may be received or given under the limited exceptions to the No-Gift Policy are outlined below:

Receiving Gifts	Providing Gifts
LIBFC’s Board and employees may receive gifts without disclosure and submitting the GEHT Disclosure Form) under the following circumstances: a) Gifts or hampers that are appropriate	Gifts may only be given to external parties in compliance with the No-Gift Policy and under the following limited and approved circumstances, subject to value

Receiving Gifts	Providing Gifts
to the circumstances, such as during festive occasions, and are consistent with cultural traditions, local customs, and reasonable business practices; b) Gifts sponsored by any business partner, supplier, or third party in relation to events organized by LIBFC, provided that proper documentation exists for the request, receipt, and distribution of such gifts; c) Promotional items (e.g., T-shirts, pens, bags) handed out by hosts or organizers to all participants at corporate or industry events such as conferences, seminars, trade shows, or presentations; d) Corporate-branded stationery or mementos such as plaques, mugs, pens, photo frames, calendars, bouquets of flowers, boxes of chocolates, fruit baskets, commemorative books, or appropriate reading materials, provided as a token of appreciation. For example in connection with hosting or organizing industry-related events; or when participating as an invited speaker or panelist.	thresholds: a) Promotional gifts bearing the LIBFC logo (e.g., pens, mugs, diaries, lanyards) as part of an approved marketing or branding initiative; b) Gifts exchanged at a company-to-company level during official events, launches, or ceremonies; c) Tokens of appreciation presented at official functions or public events (e.g., door gifts at conferences or open house events); d) Gifts given under LIBFC's Corporate Social Responsibility (CSR) programmes; e) Festive gifts (e.g., mandarin oranges, dates, or hampers) given in conjunction with a festive occasion, subject to reasonable value.

Receiving Gifts	Providing Gifts
Monetary Thresholds: If the value exceeds RM500, the gift must be recorded in the GEH Register and approved by a superior, management, director, or a designated officer, depending on the internal hierarchy of approval.	Monetary Thresholds: If the value exceeds RM500, the gift must be registered in the GEH Register and approved by a superior, management, director, or a designated officer, as per the hierarchy of approval.

- 10.8 All LIBFC personnel, including the Board, Senior Management, and employees, must exercise proper care, judgement, and accountability when receiving or giving gifts, even in the circumstances permitted above. This is essential to:
- a) Uphold LIBFC's commitment to ethical conduct;
 - b) Avoid any perception of bribery, conflict of interest, or undue influence;
 - c) Safeguard the integrity and reputation of LIBFC and its personnel.

(F) Principles for giving and receiving Entertainment and Hospitality

- 10.9 Giving and receiving entertainment or hospitality by or from LIBFC's Board, employees, and business associates shall be guided by the following principles to ensure alignment with ethical conduct and anti-bribery standards:
- a) It must not be intended to influence, or be perceived as influencing, judgment or business decisions, reward improper performance of duties, or obtain preferential treatment;
 - b) It must not be excessive or lavish and should be appropriate to the recipient's official designation and proportionate to the occasion;
 - c) It must not be inconsistent with the applicable laws and internal policies of both the giver and the recipient;
 - d) It must not coincide with sensitive periods such as contract negotiations, licensing or permit applications or renewals, or similar activities;

- e) It must not be given to or received from the same party on a frequent basis (e.g., more than four (4) times per year).

(G) Examples of Acceptable Hospitality and Entertainment

10.10 LIBFC recognises that limited, appropriate hospitality or entertainment may be acceptable in the course of business. However, all Employees, Senior Management, and Directors are expected to exercise sound judgement and act in a manner that upholds LIBFC's integrity and reputation.

Receiving Hospitality and Entertainment	Providing Hospitality and Entertainment
Before accepting any hospitality or entertainment, Employees and the Board must ensure that it: a) Does not expose the Company or themselves to allegations of impropriety or undue influence; b) Is reasonable, infrequent, and in line with business norms; c) Is not extravagant, lavish, or excessive. <u>Examples of entertainment include:</u> theatre shows, concerts, movies, karaoke sessions, spas, and orchestras. <u>Examples of corporate hospitality include:</u> invitations to dining events, conferences, training programmes, festive open houses, event tickets, or	Employees and Board may only offer hospitality or entertainment where: a) It serves legitimate business purposes (e.g., fostering business relationships); b) It is not intended to induce, influence, or obtain any improper advantage; and c) It complies with LIBFC's policies and approval thresholds. <u>Threshold:</u> a) The value must not exceed RM500 per person. b) If it exceeds RM500 per person, the hospitality or entertainment must be: (i) Registered in the GEH Register; and

Receiving Hospitality and Entertainment	Providing Hospitality and Entertainment
additional purchase discounts from customers' companies. If the estimated value of hospitality or entertainment exceeds RM500 per person and the individual is unable to decline due to cultural or diplomatic sensitivity, it must be: a) Recorded in the GEH Register; b) Reported within two (2) business days after the event; and c) Accompanied by a completed GEH Disclosure Form. Approval must be obtained from: a. The Head of Department (HOD), in the case of an employee; b. The CEO, in the case of a HOD; c. The Board, in the case of the CEO; d. Labuan FSA's Chairman, in the case of a Board member.	(ii) Accompanied by a completed GEH Disclosure Form. Approval must be obtained from: a) The Head of Department (HOD), in the case of an employee; b) The CEO, in the case of a HOD; c) The Board, in the case of the CEO; d) Labuan FSA's Chairman, in the case of a Board member

(H) Business and non-business travel

- 10.11 Travel-related expenditures refer to costs incurred for travel fares, meals, or accommodations that are paid by LIBFC or its Business Associates to any external parties, or received from external parties by LIBFC or its Business Associates.

10.12 The giving or receiving of travel-related expenditures must comply with the following principles:

- a) The travel must be necessary to perform a legitimate business-related activity (e.g. marketing events, launches, promotional activities, audits, training, or courtesy visits);
- b) Expenses must be proportionate and appropriate to the circumstances, including travel and accommodation class, based on the length of trip and the seniority of the traveller;
- c) Any travel expenses related to personal activities (e.g. entertainment during off-hours or extended stays for sightseeing) must be borne by the individual or their own organisation;
- d) Expenses incurred more than 24 hours before or after the official business activity/event must also be borne by the individual or their organisation;
- e) Non-business-related travel is considered a form of Entertainment and Hospitality and must comply with the principles outlined in the section on Entertainment and Hospitality;
- f) Travel-related expenses must not be given to or accepted by individuals who are not relevant to the performance of the business activity, such as family members or friends.

(H) Handling of Unreturnable Gifts

10.13 In the event a gift cannot be returned to the sender in a timely manner, the Head of Unit, Department, CEO, Board or Labuan FSA Director-General shall make a decision on the appropriate course of action, subject to their due consideration. Acceptable options include:

- a) Donating the gift to a charitable organisation;
- b) Registering the gift as LIBFC property for communal use by all employees;
- c) Sharing the gift with employees; or
- d) Retaining the gift to be used later as door gifts, tokens, or lucky draw items at official LIBFC events.

- 10.14 All such decisions must be documented and recorded appropriately in the GH&E Register for transparency and audit purposes.
- 10.15 The total value of gifts retained by any LIBFC Board member or employee, whether through approved exceptions or unreturnable gifts, shall not exceed RM3,000 in a calendar year.
- 10.16 Where the cumulative value approaches this threshold, the individual is required to notify their immediate superior for further guidance. Any amount exceeding the RM3,000 limit must be either declined, returned (if feasible), or handled in accordance with Section 10.13.

11.0 DONATIONS AND SPONSORSHIPS

- 11.1 LIBFC does not prohibit its Board, Employees, or Business Associates from giving or receiving donations and sponsorships. However, they must adhere to the following principles:
- a) The donation or sponsorship must not be given with the intention of obtaining or retaining business for LIBFC, securing an advantage in business dealings, influencing or appearing to influence judgment or decisions, rewarding improper performance, or receiving preferential treatment.
 - b) It must not contradict any applicable laws or internal policies of both the giver and receiver.
 - c) It must not coincide with contract negotiations, license or permit applications/renewals, or similar events.
 - d) It must not be given or received frequently from the same party and should not be more than 5 times per year. Nevertheless, in the event that the number has exceeded the limit mentioned, the necessary approval should be required

based on the approving authority.

- e) It must be for clear community, environmental, or disaster relief purposes.
- f) Prior due diligence and conflict of interest checks must be conducted to avoid any potential or perceived corrupt practices.
- g) LIBFC does not have any political affiliations and does not make political contributions, donations, or sponsor any events organized by political parties. Board members, Employees, and Business Associates may make such contributions in their personal capacity only and must not associate their actions with LIBFC.

11.2 While LIBFC maintains restrictions on sponsorships, exceptions are allowed for attendance at events that support networking and rapport-building efforts. All donations and sponsorships whether given or received must be authorized in accordance with the Delegation and Approval Limit Policy.

11.3 LIBFC shall conduct thorough due diligence on all charitable donations, sponsorships, and community contributions, including:

- a) Verifying the legitimacy of the recipient;
- b) Ensuring compliance with all applicable laws and regulations;
- c) Ensuring that donations are not made immediately before, during, or after significant contract-related events;
- d) Verifying that the recipient is not being used as a conduit for bribery or improper influence.

11.4 LIBFC Board members and Employees are strictly prohibited from directly soliciting donations, sponsorships, or complimentary goods from external parties. All such requests must be routed through the CEO and approved by the Board. Any approved donations or sponsorships must comply with the LIBFC Procurement Policy and Guidelines.

12.0 FACILITATION OF PAYMENTS

- 12.1 LIBFC adopts a strict zero-tolerance approach to facilitation payments. Facilitation payments are defined as unofficial or improper payments or benefits made to a person in a position of authority such as a government official, public servant, or authorized agent to expedite or secure the performance of a routine task or service to which the payer is already legally or contractually entitled. Such payments are often made to influence decisions, avoid delays, or receive preferential treatment. Regardless of the amount or perceived necessity, facilitation payments are considered a form of bribery and are strictly prohibited by LIBFC in all forms and under all circumstances.
- 12.2 All employees and members of the Board are required to decline any request to give or receive a facilitation payment. They must not offer, promise, or agree to provide such payments, whether directly or indirectly. If an employee or Board member is approached with a request for a facilitation payment, they must immediately report the matter to the Chief Executive Officer (CEO).
- a) In the event that a payment has already been made and there is uncertainty as to whether it constitutes a facilitation payment, the incident must still be reported to the CEO without delay. All such payments must be recorded clearly and transparently, in accordance with LIBFC's internal procedures.
 - b) All business associates acting for or on behalf of LIBFC are also expected to comply with this policy. If a business associate receives a request for a facilitation payment from any LIBFC personnel, they must decline the request and report the matter through the appropriate whistleblowing channel. Business associates are also prohibited from offering or making facilitation payments on LIBFC's behalf.

RESTRICTED

- c) LIBFC acknowledges that there may be rare and exceptional situations where a facilitation payment is made solely to protect the personal safety of an employee. In such instances, a payment may be made only if it is the only immediate option available to ensure the individual's safety and, wherever possible, prior approval has been obtained from the CEO or Top Management.

12.3 If circumstances do not allow for prior approval, the incident must be reported retrospectively to the CEO or Top Management as soon as possible. Any such payment must be properly documented and justified in accordance with internal reporting procedures.

12.3 All parties are expected to adhere to the following conduct:

- a) Be alert to indicators of facilitation payments;
- b) Communicate LIBFC's zero-tolerance policy to external parties;
- c) Request official receipts for all payments; and
- d) Report any suspected or actual incidents immediately through the designated reporting channels.

12.5 Under no circumstances should any party give, accept, promise, or ignore facilitation payments. LIBFC expects full cooperation in the enforcement of this policy.

13.0 BUSINESS REWARDS, REBATES, COMMISSIONS, OR OTHER INCENTIVES

13.1 In the course of doing business or establishing new business opportunities, promotional tools such as business rewards, rebates, discounts, or other incentives may be used. While LIBFC does not prohibit its Board members, Employees, and Business Associates from giving or receiving such incentives, they must comply with the following principles:

- a) The incentive must not be intended to obtain or retain business or advantage for LIBFC, influence or appear to influence judgement or decision-making,

- reward improper performance of duties, or secure preferential treatment;
- b) It must not contradict applicable laws and internal policies of both the giver and the recipient;
 - c) It must be formally documented as part of an incentive program or contractual arrangement (e.g. rewards program, credit policy);
 - d) It must be reasonable (e.g. at market rate) and either generally applicable or based on transparent business parameters (e.g. applicable to all customers or those exceeding a specified order amount).
 - e) The incentive must not be in the form of cash or cash equivalents (e.g. vouchers, gift cards, prepaid cards) unless explicitly allowed under a documented and approved business program;
 - f) The incentive must be subject to internal review and approval by the appropriate authority or department (e.g. Legal, Finance, or Compliance), particularly for high-value or unusual arrangements.
 - g) The incentive must be fully transparent, with proper records maintained for audit and compliance purposes.
 - h) The offering or acceptance of the incentive must not create a real or perceived conflict of interest between LIBFC and the other party involved.
 - i) Any incentive offered to or received from government officials, regulators, or politically exposed persons (PEPs) must undergo enhanced scrutiny and require prior written approval.
 - j) Incentives must be periodically reviewed to ensure continued alignment with LIBFC's policies, anti-bribery and corruption standards, and changing regulatory requirements.

14.0 CONDUCTING DUE DILIGENCE

- 14.1 LIBFC shall conduct due diligence on its Personnel, Business Associates, projects, and major business activities, particularly where there is a significant risk of exposure to bribery and corruption. This is to ensure that LIBFC engages only with individuals

and entities that uphold integrity and comply with anti-bribery and corruption standards.

14.2 Due diligence may be conducted using various methods depending on the nature and level of risk, including but not limited to:

- a) Deploying structured survey questionnaires;
- b) Conducting open-source web searches;
- c) Reviewing information from external databases;
- d) Using screening tools or solutions (e.g., CTOS, RAM Credit Information, Thomson Reuters); and
- e) Engaging independent third-party due diligence service providers.

14.3 Purpose of Due Diligence

- a) To ensure that LIBFC is aware of the background, integrity, and risk profile of Personnel, Business Associates, and other third parties prior to engagement.
- b) Based on the due diligence results, LIBFC may decide to proceed, suspend, or terminate engagement with such parties to safeguard against legal, financial, and reputational risks.
- c) To gather sufficient information to assess and mitigate bribery or corruption risks associated with such parties.

14.4 Timing and Responsibilities for Due Diligence

Subject of Due Diligence	When to Conduct	Responsible Department/Function
Employees and Board of Directors	a) Prior to onboarding (new hires, contract employees, interns, secondees); b) During promotions or internal transfers;	▪ Human Resource Unit for employees. ▪ Board secretary for Board appointments.

Subject of Due Diligence	When to Conduct	Responsible Department/ Function
	c) Upon misconduct or disciplinary incidents.	
Business Associates / Third Parties	a) Prior to initial engagement or contract; b) During contract renewal or extension; c) As part of periodic performance evaluations; d) Upon significant changes in ownership, control, or business operations; e) Upon misconduct or conflict-of-interest concerns.	Respective functions / units engaging with the Business Associates.
Projects / Major Business Activities	a) Prior to commencement of new projects or business activities; or b) Whenever there are changes in the nature, scope, or risk profile of a project.	Head of Department / Manager / Project Leader.

14.5 All due diligence activities must be documented clearly, including findings, assessments, and decisions made. The documentation shall be retained securely for a minimum period of seven (7) years and must be made available upon request by relevant authorities or internal auditors.

- 14.6 LIBFC shall ensure that the due diligence process is periodically reviewed and enhanced based on lessons learned, risk trends, and best practices. Regular monitoring shall be conducted to verify ongoing compliance and to reassess risks throughout the duration of the relationship or project engagement.

15.0 MANAGEMENT OF EXTERNAL INFLUENCE AND SUPPORT LETTERS

- 15.1 LIBFC upholds the highest standards of integrity, impartiality, and independence in all aspects of its operations. The organization adopts a strict zero-tolerance policy against the acceptance, issuance, or facilitation of support letters or any request for special privileges. This includes direct or indirect attempts by external parties such as political figures, prominent individuals, or persons with close connections to influence LIBFC's decisions, processes, or outcomes for personal, familial, or associate benefit.
- 15.2 LIBFC Board members, Employees, and Business Associates are strictly prohibited from:
- a) Issuing, soliciting, or responding to support letters;
 - b) Making decisions based on support letters or external influence;
 - c) Allowing personal relationships or affiliations to compromise impartiality;
 - d) Offering assurances, commitments, or promises in response to support letter requests;
 - e) Failing to report the existence of such influence or support letters.
- 15.3 Any LIBFC personnel who receives a support letter, whether addressed to them personally or in their capacity as an officer of LIBFC, must:
- a) Refrain from making any commitments or assurances;
 - b) Document the content of the request;
 - c) Immediately report the matter through the designated whistleblowing channels or to respective Designated Officers (DO);

RESTRICTED

- d) Ensure that no action is taken based on the contents of the letter unless specifically authorized by an independent and documented review process.
- 15.4 This procedure applies equally to personnel who have issued a support letter on behalf of LIBFC, intentionally or inadvertently.
- 15.5 Business Associates are equally expected to uphold this policy. If a Business Associate receives a support letter that claims to originate from LIBFC, or from any individual purporting to represent LIBFC:
- a) The Business Associate must not act upon the letter;
 - b) The letter or request must be immediately reported through LIBFC's whistleblowing channel;
 - c) Cooperation with any resulting review or investigation is required.
- 15.6 LIBFC Employees and Board members must actively communicate LIBFC's stance on external influence and support letters to external stakeholders, particularly in engagements involving procurement, recruitment, sponsorship, and partnerships. This includes:
- a) Declaring LIBFC's zero-tolerance approach during briefings or negotiations;
 - b) Providing written communication (where appropriate) affirming the policy;
 - c) Referring stakeholders to publicly available policies or statements that reinforce this position.
- 15.7 All Employees and Board members must declare annually, as part of their integrity affirmation, that they have not received, acted upon, or issued any support letter. This will be included in the annual Anti-Bribery and Corruption Declaration Form. Refresher awareness sessions will be conducted annually to reinforce this provision.

16.0 RECRUITMENT, PROMOTION AND SUPPORT OF BOARD AND EMPLOYEE

- 16.1 LIBFC is committed to upholding the highest standards of integrity, transparency, and meritocracy in the recruitment, appointment, promotion, and development of its Board members, employees, and business associates. All human capital decisions shall reflect LIBFC's zero-tolerance stance on bribery and corruption, and align with its broader ethical, governance, and ESG commitments.
- 16.2 Recruitment shall be conducted based on clearly defined, merit-based selection criteria. All hiring decisions must:
- a) Be free from favouritism, nepotism, or undue influence;
 - b) Include conflict of interest disclosures by both recruiters and candidates;
 - c) Be transparently documented with interview scoring, approvals, and rationale;
 - d) Involve diverse selection panels with representation from HR and, where relevant, Compliance or Legal.
- 16.3 Prior to employment or appointment:
- a) Background checks must be conducted to confirm that individuals have not been convicted of or alleged to be involved in any bribery or corruption case, whether locally or internationally;
 - b) Enhanced due diligence (e.g. screening against sanctions lists, PEP databases, financial and reputational checks) must be applied for candidates being considered for Board positions, senior management, or exposed positions;
 - c) Similar checks shall be conducted for nominees to the Board before being appointed.
- 16.4 Promotions and recognitions within LIBFC shall consider not only performance and qualifications, but also the individual's:
- a) Demonstrated integrity and ethical behaviour;
 - b) Compliance with LIBFC's Code of Conduct and ABC Policy;

RESTRICTED

- c) Track record of transparency, accountability, and conflict-free conduct.
- d) LIBFC does not offer employment or promotion as a reward for individuals who have improperly favoured LIBFC in a previous role or business dealing.

16.5 All new employees and Board members must:

- a) Undergo onboarding training covering the ABC Policy, Code of Conduct, and Whistleblowing Policy;
- b) Sign declarations acknowledging receipt and understanding of these policies;
- c) Be briefed on how to report unethical conduct or hiring-related irregularities.

16.6 Human Resource Unit shall maintain documentation for all recruitment and promotion decisions for audit and compliance purposes.

16.7 All processes shall be periodically reviewed to reflect best practices, legal changes, and evolving bribery and corruption risks.

16.8 LIBFC is committed to ensuring that recruitment and promotion decisions are fair, inclusive, and based solely on merit and integrity, without discrimination on the basis of race, gender, religion, age, or background.

16.9 Any attempt to compromise the integrity of the recruitment or promotion process including bribery, nepotism, or concealment of material information will be subject to disciplinary action and, where applicable, criminal referral. Employees and stakeholders are encouraged to report violations through LIBFC's Whistleblowing Channels.

17.0 BUSINESS ASSOCIATES

17.1 All Business Associates including external providers such as consultants, advisors, vendors, agents, and other intermediaries acting on behalf of LIBFC are required to

comply with this Policy and all related policies. A sample of the required Declaration of Compliance is provided in Appendix 2 of this Policy.

- 17.2 In arrangements where LIBFC holds a controlling interest (e.g., joint ventures), Business Associates must fully adhere to this Policy. In cases where LIBFC does not have a controlling interest, Business Associates are strongly encouraged to align with the same standards of integrity and compliance.
- 17.3 Prior to engagement, LIBFC shall conduct due diligence on all Business Associates intending to act on its behalf in any representative capacity (e.g., as an agent or intermediary) to ensure the entity is not likely to engage in bribery or corrupt activities during the course of their work with LIBFC.
- 17.4 The scope and depth of due diligence shall be guided by a Bribery and Corruption Risk Assessment. This may include:
- a) Reviewing relevant public and private databases;
 - b) Verifying connections with politically exposed persons or public officials;
 - c) Requiring self-declarations of ethical conduct;
 - d) Documenting objective criteria for the selection of one Business Associate over others.
- 17.5 All due diligence outcomes must be clearly documented, retained for a minimum of seven (7) years, and made available upon request by the designated custodian.
- 17.6 All contracts with Business Associates shall contain standard anti-bribery and corruption clauses that grant LIBFC the right to terminate the agreement in the event of proven bribery or corruption. Where elevated bribery risks are identified, additional contractual safeguards may be imposed on Business Associates acting on LIBFC's behalf.

18.0 RESPONSIBILITIES OF LIBFC BOARD AND EMPLOYEE

- 18.1 All LIBFC Board members and Employees are required to uphold their responsibilities relating to LIBFC's anti-bribery and corruption commitments. These include:
- a) Being familiar with applicable requirements and directives of this Policy and communicating them to subordinates;
 - b) Promptly recording all transactions and payments in LIBFC's books and records with accuracy and reasonable detail;
 - c) Seeking guidance from the CEO if uncertainties arise regarding this Policy or required actions in specific situations;
 - d) Reporting suspicious transactions and other "red flags" to immediate superiors for further direction;
 - e) Remaining vigilant to signs or evidence of potential violations of this Policy;
 - f) Reporting violations or suspected violations through appropriate channels, including the Whistleblowing channel;
 - g) Attending mandatory anti-bribery and corruption training appropriate to their position;
 - h) Not misusing their position or LIBFC's name for personal gain.
- 18.2 When engaging with Business Associates, LIBFC Board and Employees must not:
- a) Show unexplained or unjustifiable preference for particular parties;
 - b) Attempt to dishonestly influence decisions by offering, promising, or conferring any advantage;
 - c) Exert improper influence to obtain benefits;
 - d) Offer, promise, or make corrupt payments, directly or indirectly, in exchange for improper advantages.
- 18.3 Board members and Employees involved in procurement or tender processes shall not:
- a) Receive gifts or hospitality of any kind from external parties participating or

expected to participate in the exercise;

- b) Offer anything other than a corporate gift or token hospitality to related external parties;
- c) Discuss business or employment opportunities for personal benefit or for the benefit of Business Associates;
- d) Abuse decision-making authority or bypass standard procurement procedures and Limits of Authority.

18.4 When dealing with external parties who are in a position to make decisions benefiting LIBFC (e.g. Government officials, clients), Board and Employees shall not:

- a) Attempt to influence decisions through corrupt payments, directly or indirectly;
- b) Discuss personal business or employment opportunities;
- c) Abuse delegated powers to illicitly secure advantageous outcomes;
- d) Exert improper influence for personal benefit.

18.5 LIBFC top and middle management must ensure:

- a) This Policy is applied consistently within their department or area of responsibility;
- b) Compliance is monitored and enforced;
- c) Staff in Exposed Positions complete relevant training on anti-bribery and corruption.

19.0 CONFLICT OF INTEREST

19.1 A conflict of interest may arise when an individual is in a position to benefit personally, or to benefit family members, friends, or affiliated entities, from their role in LIBFC. Such situations may undermine the expected standards of good faith, loyalty, diligence, and integrity in the performance of duties by LIBFC's Board and Employees.

RESTRICTED

- 19.2 Conflicts of interest may include, but are not limited to:
- a) Holding a personal financial interest in a supplier, contractor, or competitor;
 - b) Having close relationships with a person or entity seeking to do business with LIBFC;
 - c) Participating in external employment, business ventures, or board memberships without prior approval;
 - d) Being involved in decisions that may benefit a relative or friend.
- 19.3 All Board members and employees are required to declare any actual, potential, or perceived conflict of interest:
- a) Upon joining LIBFC;
 - b) Annually, as part of the annual declaration exercise;
 - c) Whenever a new conflict situation arises during the course of employment or directorship.
- 19.4 Declarations must be made using the prescribed Conflict of Interest Declaration Form and submitted to:
- a) The Human Resource Unit for employees;
 - b) The Company Secretary for Board members; and
 - c) For the Chief Executive Officer (CEO), declarations must also be tabled to the Board, where necessary.
- 19.5 Board members and employees are responsible for identifying and disclosing conflicts and for cooperating in any steps taken to manage or resolve them. Depending on the nature of the conflict, appropriate action may include:
- a) Abstain/ recusal from decision-making;
 - b) Reassignment of duties; and/or
 - c) Other mitigation steps as determined by the CEO and/or Board.

RESTRICTED

- 19.6 All employees and Board members must avoid any conduct that could result in a conflict between personal interests and professional responsibilities. They shall not use their position, working hours, resources, or confidential information obtained through their roles for personal gain or to the disadvantage of LIBFC. In particular, employees and Board members involved in marketing, branding, sponsorship, and promotional activities must exercise heightened awareness of potential conflicts. This includes interactions with external vendors, media partners, influencers, sponsors, or clients where personal relationships or prior affiliations exist. Individuals shall not participate in the selection, endorsement, or engagement of external parties where a conflict exists. LIBFC reserves the right to reassign such responsibilities or subject decisions to independent review, where necessary.
- 19.7 Failure to disclose a conflict of interest may result in disciplinary action, up to and including reprimand, suspension, or termination of employment or directorship, depending on the severity of the non-disclosure.

20.0 ANTI-BRIBERY AND CORRUPTION (ABC) COMPLIANCE FUNCTION

- 20.1 LIBFC shall establish and maintain a dedicated ABC compliance function under the purview of the CEO. This function is responsible for overseeing the design, implementation, and continuous management of the ABC Policy to ensure its effectiveness across the organization.
- 20.2 The CEO shall carry out the following key responsibilities within LIBFC's governance structure to effectively mitigate risks of bribery and corruption:
- a) Provide advice and guidance to the Board and Employees on matters related to the ABC Policy and any associated bribery or corruption concerns;
 - b) Ensure adequate processes are in place for the ongoing monitoring, measurement, analysis, and evaluation of the ABC Policy's implementation;
 - c) Regularly report the performance and outcomes of the ABC compliance

program to the Board for review and action.

- 20.3 To support the effective operation of this function, LIBFC shall allocate appropriate resources and ensure that the CEO is supported by qualified personnel who possess the necessary competence, authority, status and independence to carry out their responsibilities objectively.
- 20.4 In addition, LIBFC shall conduct regular risk assessments to identify and evaluate bribery and corruption risks across the organization's operations. These assessments will inform the setting of specific anti-bribery and corruption objectives and enable periodic reviews to determine the adequacy and effectiveness of existing controls in achieving those objectives.

21.0 FINANCIAL RECORDS AND DOCUMENTATION

- 21.1 LIBFC must maintain accurate books and records, in line with applicable laws, regulations as well as accounting and reporting principles. Employees must ensure that all financial transactions are properly recorded in a complete, true and fair manner. No accounts must be kept "off-book" to facilitate or conceal improper payments, and false or deceptive entries into books and records are strictly prohibited.
- 21.2 At LIBFC we will ensure that we will not:
- a) Falsify, omit, misstate, alter or conceal any information or otherwise misrepresent the facts on a company record;
 - b) Encourage or allow anyone else to compromise the accuracy and integrity of our records;
 - c) Intentionally make a false or misleading entry in a record, report, file or claim; and
 - d) Engage in any scheme to defraud anyone.

RESTRICTED

- 21.3 All transactions must be properly reviewed, approved and documented, and all relevant internal controls procedures must be followed, to ensure that all payments LIBFC makes or receives are properly accounted for in reasonable detail, including the amount of the payment, the recipient, and the purpose for the expenditure.
- 21.4 All claims by employees for expenses incurred to third parties are to be submitted in accordance with LIBFC expense claim policies. LIBFC will only reimburse employees for goods, services and other expenditures that are fully and properly supported by genuine third-party invoices and receipts.

22.0 TRAINING AND AWARENESS

- 22.1 LIBFC shall conduct an awareness program for all its Board and Employee on LIBFC's position regarding anti-bribery and corruption, integrity and ethics.
- 22.2 Training shall be provided on a regular basis, in accordance with the level of Bribery and Corruption risk related to the position. Training should be provided to Board and Employee who are:
- a) new to LIBFC (part of onboarding program); or
 - b) appointed to division or transferred to the Exposed position.
- 22.3 Human Resource Unit shall maintain records to identify which LIBFC Board and employee have received training, and produce, communicate and submits a training report to the CEO on a quarterly basis.
- 22.4 Business Associates acting on behalf of LIBFC shall also undergo appropriate training, where a Bribery and Corruption risk assessment identifies them as posing Bribery and Corruption risk to LIBFC.

23.0 REPORTING OF POLICY VIOLATIONS

- 23.1 LIBFC shall establish and maintain multiple secure and accessible reporting channels for receiving complaints or reports of actual, suspected, or attempted violations of this Policy, including bribery, corruption, or other forms of misconduct. These channels are open to all LIBFC Board members, Employees, Business Associates, and members of the public (Whistleblowers) who report in good faith.
- 23.2 Whistleblowers are strongly encouraged to report any known or suspected wrongdoing, including breaches of this Policy, using the appropriate channel below:-

Alleged Wrongdoer	Designated Officer (DO)	Email Address (dedicated email for whistleblowing)	Letter
Board members of LIBFC including Chairman	Chairman of Labuan FSA	chairmanifsa_wb@labuanfsa.gov.my	Place letter in a sealed envelope with the words
Chief Executive Officer of Labuan IBFC Inc Sdn Bhd	Director General of Labuan FSA	dg_wb@labuanfsa.gov.my	"Strictly Confidential. To be opened by
Any other person not specifically identified above, such as all employees of LIBFC (below CEO).	CEO of LIBFC	ceo_wb@libfc.com	Addressee only [name and address of the DO]" on the top left-hand corner of the envelope.
All of the above (anonymous)	Director General of Labuan FSA	i. Email: labuanfsawhistleblowing@tipoffs.com.my ;	

Alleged Wrongdoer	Designated Officer (DO)	Email Address (dedicated email for whistleblowing)	Letter
		ii. Website of Labuan FSA Speak Up channel: https://secure.deloitte-halo.com/labuanfsawhistleblowing/ .	

- 23.3 All reports made in good faith will be handled promptly, fairly, and confidentially regardless of whether the complaint is submitted anonymously. Whistleblowers will not face any retaliation, harassment, or disciplinary action for raising concerns, even if an investigation determines the report was unsubstantiated.
- 23.4 LIBFC ensures that Whistleblowers who choose to remain anonymous will have their identities protected unless disclosure is required by law for legal proceedings. All reports and supporting materials will be securely stored, and the confidentiality of the whistleblower and the content will be maintained throughout the investigation process.
- 23.5 LIBFC enforces a strict non-retaliation policy. Any LIBFC Board member or Employee found to have retaliated against a Whistleblower acting in good faith shall be subject to disciplinary action, which may include demotion, suspension, dismissal, or legal proceedings as deemed appropriate.
- 23.6 All Employees and relevant Business Associates will be regularly reminded of the availability and protection of whistleblowing channels through awareness sessions, onboarding briefings, or internal communications, to ensure a culture of transparency and accountability.

- 23.7 Reports received will be acknowledged within three (3) working days, and the investigation process should be completed within thirty (30) working days, subject to the complexity of the case.
- 23.8 Where possible, and where the identity of the Whistleblower is known, feedback on the outcome or progress of the investigation may be provided to the Whistleblower, without compromising confidentiality or legal limitations.
- 23.9 While LIBFC encourages all reports made in good faith, any abuse of the whistleblowing channel, including malicious, frivolous, or knowingly false reports, may result in disciplinary action in accordance with applicable policies and procedures.

24.0 SANCTIONS FOR NON-COMPLIANCE

- 24.1 Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the LIBFC Board in a timely manner in accordance with the level of risk identified.
- 24.2 LIBFC regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance with this Policy. For LIBFC Employee, non-compliance may lead to disciplinary action, up to and including termination of employment.
- 24.3 For LIBFC Board and Business Associates, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that LIBFC's interests have been harmed by the results on non-compliance by individuals and/or organisations.

- 24.4 LIBFC also reserves the right to report any non-compliances to the relevant authorities, for example, the MACC.

25.0 CONTINUOUS IMPROVEMENT

- 25.1 The effective date of this Policy shall be immediately upon approval by the Board.
- 25.2 This Policy shall be reviewed every three (3) years or as and when deemed necessary to reflect updates in relevant laws, regulations, or internal governance requirements.
- 25.3 Any such amendments must be reviewed and approved by the LIBFC Board prior to adoption and enforcement.
- 25.4 Any changes to the Policy shall be approved by the Board unless the power to approve is delegated to the LIBFC's Chief Executive Office or Management Committee.

**LABUAN IBFC INCORPORATED SDN. BHD.
ANNUAL DECLARATION FORM FOR BOARD AND EMPLOYEES**

Name:	
Position:	
Year of Declaration:	

1. I hereby declare that I have read and understood the Anti-Bribery and Corruption Policy of Labuan IBFC Incorporated Sdn. Bhd. (LIBFC or the Company) and agree to comply with all applicable laws and regulations relating to anti-bribery and corruption in the conduct of business or services in relation to the businesses and operations of LIBFC.
2. I agree to abide by the terms and conditions governing my appointment/ employment relationship with LIBFC, with reference to:
 - any official contracts, letters of employment, letters of offer, letters of appointment, letters of engagement, or any similar official document.; and
 - LIBFC's Code of Ethics, including the Company's Anti-Bribery and Corruption Policy and relevant policies and procedures including those introduced after commencement of my appointment/ employment.
3. I agree to conduct business in an ethical manner and to not engage in any activity, practice, or conduct that that would breach the Malaysian Anti-Corruption Commission Act 2009, the Penal Code, the Companies Act 2016, or any other applicable laws and codes of conduct.
4. In the event that I have been involved in any actual or suspected breach of the Applicable Laws following the signing of this Declaration Form, I shall report the same in writing as soon as reasonably practicable, and to the extent permitted by law, to the

RESTRICTED

Company. In such a case, I shall provide all necessary information and assistance as may be reasonably requested by the Company pertaining to the same.

5. I understand that if I fail to comply with any part of items 1 to 4, LIBFC reserves the right to undertake a review of my appointment/ employment with the LIBFC, which may lead to or involve disciplinary action, up to and including dismissal, and/or reporting to the relevant authorities/ governing bodies.

6. I declare that:

- ☐ I am not aware of any actual, potential, or perceived conflict of interest involving LIBFC or its stakeholders.
- ☐ Apart from those disclosed in Appendix A, I am not aware of any other actual, potential, or perceived conflicts of interest involving LIBFC or its stakeholders. *(tick whichever is applicable)*
- ☐ I agree to notify LIBFC, as soon as reasonably practicable on any new actual, potential, or perceived conflict of interest.

7. I further declare that:

- ☐ I have not been convicted of any crime or offences, other than traffic offences (if any).
- ☐ I am not and have not been subject to any investigation, inquiry or enforcement proceedings, current or anticipated, by the authorities, in any jurisdiction, for any actual or suspected breach of the Applicable Laws or similar laws in other jurisdictions.

RESTRICTED

- ☐ I am or have been investigated, charged and/or convicted of the following crime or offences: (Please provide full details)

(tick whichever is applicable)

I declare that all information provided in this Declaration Form is to the best of my knowledge and belief, true, complete, and accurate. I understand that if any information is untrue, incomplete, or inaccurate, the Company reserves the right to review my appointment/ employment relationship with the Company, which may involve or lead to suspension, disciplinary actions, dismissal, and/or reporting to the relevant authorities/ governing body.

Name: _____

Identity Card/ Passport Number: _____

Signature: _____

Date: _____

Appendix A – Declaration of Conflict-of-Interest Situations

Name:	
Position:	

For the purposes of this section, please describe and disclose any areas or circumstances in which you are involved that may give rise to an actual, potential, or perceived conflict of interest with Labuan IBFC Incorporated Sdn. Bhd. (LIBFC):

No	Name of Conflicted Party (actual, potential, and perceived)	Relationship with Conflicted Party	Nature of Conflict-of-Interest Situation with LIBFC and Detailed Description (e.g. shareholdings, directorships, close family member relationships, etc.)
(i)			
(ii)			
(iii)			
(iv)			

I declare that all information provided in this Declaration Form is, to the best of my knowledge and belief, true, complete, and accurate. I understand that if any information is found to be untrue, incomplete, or inaccurate, the Company reserves the right to review my appointment/employment relationship with LIBFC, which may result in suspension, disciplinary action, dismissal, and/or reporting to the relevant authorities or governing bodies.

Name: _____

Identity Card/ Passport Number: _____

Signature: _____

Date: _____

**LABUAN IBFC INCORPORATED SDN. BHD.
DECLARATION FORM FOR BUSINESS ASSOCIATES**

Name:	
Name of organization:	
Nature of Business Relationship with Labuan IBFC Incorporated Sdn. Bhd.:	
Representation (Please tick whichever is applicable)	☐ Declared on behalf of the organisation ☐ Declared as private individual

1. The Entity named above (“**Entity**”) agrees to comply with all applicable laws and regulations relevant to its business operations.

2. The Entity hereby declares that it has read and understood the Anti-Bribery and Corruption Policy of Labuan IBFC Incorporated Sdn. Bhd. (“LIBFC” or “the Company”) and agrees to comply with all applicable anti-bribery and corruption laws in connection with its business dealings with LIBFC.

3. The Entity agrees to abide by the terms and conditions governing its business relationship with LIBFC, including but not limited to:
 - ✓ Official contracts, letters of offer, letters of appointment, letters of engagement, or similar documents; and
 - ✓ LIBFC’s Anti-Bribery and Corruption Policy, Code of Business Ethics (COBE), and relevant procedures, including those introduced after the commencement of the relationship.

RESTRICTED

4. The Entity agrees to conduct its business ethically and not engage in any activity, practice, or conduct that would constitute an offence under the Malaysian Anti-Corruption Commission Act 2009, the Penal Code, or any other applicable laws ("Applicable Laws").
5. In the event of any actual or suspected breach of the Applicable Laws after the signing of this Declaration Form, the Entity shall report the matter in writing to LIBFC as soon as reasonably practicable and, to the extent permitted by law, provide all necessary assistance as requested by LIBFC.
6. The Entity understands that if it fails to comply with any part of items 1 to 4, LIBFC reserves the right to undertake a review of our business relationship established through any official contracts, letters of offer, letters of appointment, letters of engagement, or any form of official document of a similar nature, which may lead to termination of such service or business relationship, initiation of legal action and/or even reporting to the relevant authorities.
7. The Entity declares that *(tick whichever is applicable)*
 - ☐ The Entity is not aware of any actual, potential, or perceived conflict of interest involving LIBFC or its stakeholders.
 - ☐ Apart from the disclosures in Appendix A, the Entity is not aware of any other conflict of interest involving LIBFC or its stakeholders.
 - ☐ The Entity agrees to notify LIBFC promptly of any new actual, potential, or perceived conflicts of interest.
8. The Entity further declares that *(tick whichever is applicable)*
 - ☐ The Entity has never been convicted of any financial or commercial crimes or offences.
 - ☐ The Entity is not and has not been subject to any investigation or enforcement action, past or present, for a breach of Applicable Laws.
 - ☐ The Entity is not aware of any reports made to authorities alleging a breach of Applicable Laws.

RESTRICTED

- ☐ The Entity has been investigated/convicted of the following financial or commercial crimes or offences: Please provide details below, if applicable:

9. On behalf of the Entity, I declare that all information provided in this Declaration Form is, to the best of my knowledge and belief, true, complete, and accurate. I understand that any misrepresentation may result in the review or termination of the business relationship, legal action, and/or reporting to the relevant authorities.

Name: _____

Identity Card/ _____

Passport Number: _____

Signature: _____

Designation: _____

Company Stamp: _____

(If applicable)

Date: _____

Appendix A – Declaration of Conflict-of-Interest Situations

(To be completed by Business Associates)

Name:	
Name of organization:	
Nature of Business Relationship with Labuan IBFC Incorporated Sdn. Bhd. (LIBFC):	

For the purposes of this section, please describe and disclose any areas or circumstances in which the Entity is involved that may give rise to an actual, potential, or perceived conflict of interest with LIBFC:

No	Name of Conflicted Party (actual, potential, and perceived)	Relationship with Conflicted Party	Nature of Conflict-of- Interest Situation with LIBFC and Detailed Description (e.g. shareholdings, directorships, close family member relationship, etc.)
(i)			
(ii)			
(iii)			
(iv)			

On behalf of the Entity, I declare that all information provided in this Declaration Form, including this appendix, is to the best of the Entity's and my own knowledge and belief, true, complete, and accurate. I understand that if any information is found to be untrue, incomplete, or inaccurate, LIBFC reserves the right to review the business relationship, including but not limited to any official contracts, letters of offer, letters of appointment, letters of engagement,

RESTRICTED

or similar documents. Such review may lead to termination of the relationship, initiation of legal action, and/or reporting to the relevant authorities.

Name: _____

Identity Card/ _____

Passport Number: _____

Signature: _____

Designation: _____

Company Stamp: _____

(If applicable)

Date: _____

LABUAN IBFC INCORPORATED SDN. BHD.
CODE OF BUSINESS ETHICS POLICY FOR BUSINESS ASSOCIATES

Labuan IBFC Incorporated Sdn. Bhd. ("LIBFC") is committed to conducting business in accordance with the highest ethical standards. LIBFC expects all its Business Associates to uphold and adhere to the same principles of integrity, transparency, and compliance.

1.0 Compliance with Laws, Rules and Regulations

- 1.1 Business Associates are expected to understand, adhere to, and comply with all applicable laws, rules, and regulations relevant to their business operations. Where the law is unclear, they must exercise sound judgment and consider whether their actions are justifiable.
- 1.2 If a Business Associate becomes aware of or suspects a violation of any law, rule, or regulation by LIBFC, its employees, or any third party acting on its behalf, it must promptly report the matter in accordance with LIBFC's Whistleblowing Policy. LIBFC will ensure that no Business Associate is subject to retaliation for good-faith reporting.
- 1.3 LIBFC will review and assess all reported complaints. If an investigation is warranted, the Business Associate is expected to cooperate fully. Investigation outcomes are confidential and may be shared at LIBFC's discretion.

2.0 Conflicts of Interest

- 2.1 Business Associates must avoid any activity or personal interest that may result in an actual, potential, or perceived conflict of interest. They are responsible for disclosing any such situation involving themselves or LIBFC employees. Please refer to LIBFC's Anti-Bribery & Corruption Policy and Conflict of Interest Declaration for more information.

3.0 Confidentiality

- 3.1 Business Associates must protect all confidential, sensitive, and proprietary information ("Confidential Information") shared in the course of their relationship with LIBFC.

RESTRICTED

- 3.2 Confidential Information must not be used, discussed, or disclosed to any external party or internal LIBFC staff, except those who have a legitimate business need to know.
- 3.3 Unauthorized disclosure of Confidential Information during or after engagement with LIBFC is strictly prohibited.

4.0 Ethical Conduct and Fair Dealing

- 4.1 Business Associates shall act with honesty, fairness, and transparency in all dealings with LIBFC, its suppliers, and customers. They must not make misleading, deceptive, or false statements regarding LIBFC's products or services.
- 4.2 Unethical behavior such as manipulation, abuse of privileged information, or misrepresentation is strictly prohibited.

5.0 Use of Corporate Opportunities

- 5.1 Business Associates must not exploit opportunities, information, or property gained through their relationship with LIBFC for personal benefit, directly or indirectly.

6.0 Accountability

- 6.1 Business Associates are fully accountable for delivering goods and services in accordance with their contracts or undertakings with LIBFC.
- 6.2 They must ensure that all information reported to LIBFC is accurate, complete, and submitted in a timely manner.
- 6.3 Under no circumstances should false, misleading, or fraudulent reports or records be created or submitted to LIBFC.

7.0 Anti-Corruption and Anti-Bribery Compliance

- 7.1 Business Associates must comply with the Malaysian Anti-Corruption Commission Act 2009 and any other applicable anti-corruption laws. This includes adhering to relevant rules, regulations, and guidelines issued under those laws.
- 7.2 Specifically, Business Associates, including their officers, employees, and agents:
 - (a) Must not offer, give, or authorize any payment, loan, gift, or anything of value to a

government official with the intent to improperly influence any act, decision, or function.

- (b) Must not provide anything of value to another company's employee or representative if the intent is to induce or reward improper performance of a business activity.
- (c) Must not receive, solicit, or agree to receive any payment, gift, or reward in exchange for improper conduct or performance.

7.3 LIBFC recognizes that modest gifts and entertainment may occasionally be acceptable in the context of business relationships, provided they do not violate the principles outlined in Section 7.2.

8.0 Audit Rights

8.1 Subject to the provisions of their agreement, LIBFC reserves the right to audit its Business Associates to ensure compliance with this Code. Business Associates are expected to cooperate and provide all required documents and information, especially in relation to compliance with laws and regulations.

9.0 Language and Interpretation

9.1 In the event of any conflict between the English and Malay versions of this Code, the English version shall prevail.

**GIFT, ENTERTAINMENT AND HOSPITALITY (GEH) DISCLOSURE FORM FOR RECEIVING AND
PROVIDING GIFT**

1. Name of Recipient	
2. Designation/Department	
3. Date Gift Received/Giving	
4. Name of Giver / Organisation	
5. Occasion / Event (if applicable)	
6. Description of Gift	
7. Estimated Value (RM)	
8. Reason for Gift	
9. Action Taken	
10. Justification (if retained / not returned)	
11. Recommendation by HOD / Approving Officer	Name: Designation: Signature & Date:
12. Approved By	Name: Designation: Signature & Date:
13. Registered in GEH Register by Human Resource Unit	Date of Registration: Reference Number:

**GIFT, ENTERTAINMENT AND HOSPITALITY (GEH) DISCLOSURE FORM FOR RECEIVING
HOSPITALITY/ENTERTAINMENT**

1. Name of Recipient	
2. Designation/Department	
3. Date of Event	
4. Host Organisation / Provider	
5. Type of Hospitality / Entertainment (e.g. dinner, conference, show, spa, etc.)	
6. Estimated Value (RM per person)	
7. Purpose of Attendance	
8. Attendees (LIBFC and external)	
9. Was prior approval obtained?	☐ Yes ☐ No If Yes, attach copy. If No, justify below.
10. Justification for Acceptance	
11. Approval (if above RM500 per person)	Name: Designation: Signature & Date:
13. Registered in GEH Register by Human Resource Unit	Date of Registration: Reference Number:

**GIFT, ENTERTAINMENT AND HOSPITALITY (GEH) DISCLOSURE FORM FOR PROVIDING
HOSPITALITY/ENTERTAINMENT**

1. Name of Requestor	
2. Designation/Department	
3. Date Provided / Event Date	
4. Recipient(s) / Organisation	
5. Description of Gift / Type of Hospitality	
6. Purpose / Justification	
7. Estimated Value (RM per person)	
8. Total Value	
9. Funding Source / Budget Code	
10. Was this part of an approved initiative (e.g. CSR, marketing)?	☐ Yes ☐ No
11. Approval (if above RM500 thresholds)	Name: Designation: Signature & Date:
12. Registered in GEH Register by Human Resource Unit	Date of Registration: Reference Number: