



IOI GROUP

IOI CORPORATION BERHAD
(9027-W)

BUSINESS ETHICS, COMPLIANCE, ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING POLICY

Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy

Table of Contents

1.	Introduction	1
2.	Business Ethics	2
2.1	Compliance	2
2.2	Anti-corruption	2
2.2.1	Kickbacks and Undocumented Cash Payments	3
2.2.2	Gifts, Hospitality and entertainment	3
2.2.3	Protection Money	4
2.2.4	Political Contributions	4
2.3	Anti-Money Laundering	4
3.	Organisational Responsibility	5

1. Introduction

This policy applies to every employee and director (executive and non-executive) of IOI Corporation Berhad (“**IOI**”) and all subsidiaries and operations within the Group (collectively, “**IOI Group**” or “**Group**”). For associate companies and joint ventures, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

This policy is intended to give IOI Group’s employees, directors and third-party affiliates (collectively, the “**Parties**”) guidance in respect to Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering, practices by the IOI Group. Third-party affiliates include but are not limited to current or prospective customers, business partners, contractors, suppliers, consultants, agents, associates or any other business partners.

This policy is not intended to be a comprehensive description of all factors that may impact the quality of the Parties’ personal behaviour but it should be used as an ethical framework in which we all operate in. This policy complements our Group’s Code of Business Conduct & Ethics (the “**Code**”).

This policy emphasises our commitment towards combating corruption and bribery on all levels. As a company, we believe we can only honour our contractual and business obligations through uncompromising dedication in adopting the ethical standards.

For this reason, IOI Group has developed this policy. This policy’s principles and rules apply to all IOI Group activities and addresses business conduct and ethics to support IOI’s core values which are outlined below:

Integrity

Commitment

Loyalty

Excellence in Execution

Speed or Timeliness

Innovative

Cost Efficiency

2. Business Ethics

IOI Group is committed to ensuring that business is conducted in all respects according to ethical and legal standards. The company accepts that it has a moral obligation to act as a responsible corporate citizen in all jurisdictions.

At IOI Group, we strive to enhance the communities in which we operate. We respect and care for the people within these communities and take responsibility for the effects of our presence in these environments. Our Code outlines the required standards of personal and corporate behaviour, reinforcing a strong ethical culture which runs through the very fabric of our organisation.

Honesty and integrity in communications is regarded as the key pillar in establishing our organisation's reputation as a credible and trustworthy member of the international business community. On this basis, the IOI Group operates by communicating openly with all of its stakeholders whether they are shareholders, government departments or agencies, the local community, employees, customers or suppliers.

IOI's four pillars of management are:

- Leadership
- Transparency
- Accountability
- Fairness

2.1 Compliance

Employees and directors of IOI Group are placed in a position of trust. They manage IOI Group's resources, have access to IOI Group's information and make decisions that affect the interests of others. All employees and directors are expected to be honest and impartial when carrying out their duties to maintain confidence in IOI Group and to advance the good name of the organisation.

IOI Group act with due care before engaging with a business partner and ensure that business partners and subsidiaries know and respect this Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy. All business partners will receive written information about this policy which is also made public on our website.

We conduct our procurement practices in a fair and transparent manner and act with due care when evaluating major prospective contractors and suppliers. We will make this policy known to our contractors and suppliers through written statements and our website. We will avoid dealing with prospective contractors and suppliers known to be paying bribes or involved in any other forms of corruption. We expect our contractors, sub-contractors, consultants, agents, representatives and any other parties performing work or services for or on behalf of the IOI Group to comply with this policy when performing such work or services.

2.2 Anti-Corruption

Corruption is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description. There are many different types and forms of corruption for which IOI Group's stance is outlined below.

2.2.1 Kickbacks and Undocumented Cash Payments

IOI Group strictly prohibits all employees and directors from engaging in kickbacks. A kickback is any payment, not reflected on the face of a business contract that is required to be made to a government agency, a government official, or a private individual in order to conclude the business agreement at issue.

All employees and directors shall not make undocumented cash payments, on IOI Group's behalf, to any government agency, government official, or private individual for any purpose. Any IOI Group employee and directors approached by a third party demanding kickbacks must report this immediately to the Company Secretary via email.

Where the kickback is being extorted and/or any employee or director of IOI Group is being coerced to pay and their safety or liberty is under serious threat and they have no alternative but to make the kickback in order to protect their life, limb or liberty, they will be allowed to make such payment. However, the affected employee or director must immediately report the payment to the Company Secretary as soon as possible. Kickback in such a situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

2.2.2 Gifts, Hospitality and Entertainment

A business courtesy is a present, gift, gratuity, hospitality, or favour from persons or firms with whom the IOI Group maintains or may establish a business relationship and for which fair market value is not paid by the recipient. A business courtesy may be a tangible or intangible benefit, including but not limited to gifts, meals, drinks, entertainment (including tickets and passes), transportation, discounts, promotional items or use of the donor's time, materials, facilities or equipment. Corporate hospitality refers to corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation.

IOI Group's employees and directors are not allowed to accept or give courtesies, which involve cash or cash equivalents or which could be evaluated as illegal or improper exchanges. In addition, government or public servants may be under strict guidelines, preventing them from receiving courtesies. Offering courtesies to government or public officials may be considered as a legal offence in certain countries.

IOI Group recognises that the exchange of gifts may be a central part of business etiquette in certain cultures. IOI Group also recognises that the provision of modest entertainment and corporate hospitality is a legitimate way of building business relationships and is a common practice within the business environment to foster good business relationship with stakeholders or clients. Under very limited circumstances as detailed below, IOI Group's employees and directors may offer or receive gifts, corporate hospitalities, and entertainment provided they would not motivate favouritisms and/or create any obligation. All such courtesies must be reasonable and may not be frequent, suggesting a pattern. However, in no circumstances may an employee or director accept any form of courtesies in the form of cash or cash equivalents.

IOI Group's employees and directors must therefore exercise due care and judgement when offering or accepting gifts, hospitality or modest entertainment to protect the reputation of IOI Group against allegations of impropriety and to ensure bribery or anti-corruption laws are not breached.

When necessary or appropriate in the ordinary course of business, it is generally acceptable to give and receive occasional gifts, hospitality or modest entertainment as long as such activity:-

- is properly disclosed and approved by the Head of Department (appropriately balanced and deemed to **not** constitute an amount disproportional to the receiver's income level)
- complies with applicable laws or in the case of a third party, their company's policy or code of conduct
- is reasonable and customary within the industry practice or customary business etiquette

- does not improperly influence the nature or continuation of the business relationship
- does not cause undue influence on any party in exchange for some future benefit or result
- does not cause conflicts of interest situations

If in doubt, employees are to consult their Division Head or Human Resource Department for recommendations. In the case of directors, please consult the Company Secretary.

In exceptional cases where it may appear impolite or disrespectful to refuse the gifts, hospitality or modest entertainment however, such gifts, hospitality or modest entertainment will cause a conflict of interest situation, then the acceptance of such gifts, hospitality or modest entertainment cannot be approved. In such cases, the gifts, hospitality or modest entertainment must be politely refused and returned, where applicable, together with a copy of this policy.

2.2.3 Protection Money

In some instances, protection money may be solicited. This is a kind of extortion which might involve physical threats. IOI Group will not engage in such affairs and see it as our obligation to protect any employee or partner. Where the protection money is being extorted and/or any employee or director of IOI Group is being coerced to pay and their safety or liberty is under serious threat and they have no alternative but to pay the protection money in order to protect their life, limb or liberty, they will be allowed to make such payment. However, the affected employee or director must immediately report the payment to the Company Secretary. In certain situations, such threats might lead to a cessation of business relationship with the party who solicited the protection money.

2.2.4 Political Contributions

IOI Group does not make, offer or grant financial, non-financial or other forms of support (including but not limited to donations or contributions) to political parties or candidates for political office or political campaign efforts as this can be perceived as an attempt to gain an improper business advantage. We encourage our employees to use their personal rights to participate in political and democratic processes. For avoidance of doubt, no employee will be compensated or reimbursed in any way or any form by IOI Group for any personal political contributions.

2.3 Anti-Money Laundering

Money laundering is the concealment of the origins or nature of money or assets obtained through unlawful or illegal means or activity in legitimate business dealings or utilisation of legitimate funds to fund or support criminal activities, including financing terrorism.

Money laundering is a very serious offence and the legal implications arising from such an offence is severe, including hefty fines and imprisonment in Malaysia. The laws governing this type of offence can have extra territorial effect,

IOI Group strictly prohibits any practices or dealings relating to money laundering. IOI Group is committed to complying fully with anti-money laundering laws throughout the world. We will conduct business only with reputable customers, involved in legitimate business activities with funds derived from legitimate sources.

IOI Group will neither enter into nor tolerate any arrangement which facilitates or appears to be used to facilitate any acquisition, retention, use or control of any payment (monetary or otherwise) intended to be utilised to disguise the criminal activity or conceal criminal proceeds.

Every employee is expected to conduct their due diligence with any party which the IOI Group has a business relationship or intends to do business or collaborate in future, either on a regular or one-off basis. As part of their due diligence, employees are expected to collect and review documentation about current or prospective customers, business partners, contractors, suppliers, consultants, agents, associates or any other business partners to understand their business and background and also ensure that these parties are involved in lawful business activities and their funds are of lawful origin. Reasonable steps must be taken to detect unacceptable and suspicious forms of payment and prevent such payments from being transacted. Where such forms of payment are detected, the employee must immediately report the same to their Division Head or Human Resource Department. In the case of directors, they are encouraged to notify the Company Secretary immediately.

3. Organisational Responsibility

Every employee and director of IOI Group has an independent obligation to ensure that any and all interaction with public officials complies with all relevant laws and regulations, including this policy.

All employees and director of IOI Group are expected to –

- behave honestly and trustworthy;
- make sure that their behaviour comply with this policy;
- not engage in any acts of corruption;
- not pay or accept bribes;
- make a clear distinction between the interest of company and private interests; and
- avoid possible conflict (including accepting gifts, invitations or other advantages conflicting with this principle).

The Company Secretary (reporting directly to the Chief Executive Officer) is responsible for implementing and enforcing this policy. This includes ensuring that all relevant Parties are informed about this policy.

All new employees will be briefed about this policy as part of their welcome orientation and all relevant employees will receive frequent training including but not limited to compliance with laws, regulations or standard conducts relevant for our line of business and the position they hold in IOI. An employee's failure to follow these guidelines will result in immediate disciplinary action.

Any transaction, no matter how seemingly insignificant, that might give rise to a violation of this policy must promptly be reported to the Company Secretary. All such reports will be treated as confidential and will be used only for the purpose of addressing the specific issue raised in the report. As long as the report is made honestly and in good faith, IOI will not take any adverse action against any person for the making of such a report.

Employees must note, however, an employee may be subjected to disciplinary action for failing to report known or suspected wrongdoing of which an employee has knowledge.

Each IOI's subsidiary is to implement and maintain their respective Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy based on this policy.

Compliance with this policy is constantly being monitored by IOI and internal audits will be conducted at regular intervals and as and when deemed necessary.

Any questions concerning this policy and related requirements may be addressed to the employee's respective Division Head or Human Resource Department by email. Directors may raise any questions concerning this policy to the Company Secretary.

Approved on 12 September 2018