

## Policy Statement on Anti-Bribery and Anti-Corruption

### 1. Top Level Commitment

Mizuho Bank (Malaysia) Berhad (“MBM”) is committed to high ethical standards, honesty and integrity in carrying out its business activities. MBM adopts a zero-tolerance approach against all forms of bribery and corruption (“B&C”) in its business dealings and operations. This is supported with the practice of sound corporate governance standards and culture that are driven by the MBM Board of Directors (“Board”) and senior management. All employees are expected to uphold a set of behavioural standards that include integrity, and these are evaluated as part of the performance assessment.

MBM is committed to complying with all applicable anti-bribery and anti-corruption (“AB&C”) laws and regulations, in particular, the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”). In this regard, MBM has established an AB&C programme and policies which are overseen by the MBM Board. The AB&C programme applies to all MBM officers, including its Directors. Associated Persons<sup>1</sup> who are performing services for or on behalf of MBM are expected to comply with the AB&C principles in the relevant part of the AB&C programme.

Compliance with the AB&C laws, regulations, guidelines and policies will be monitored. MBM takes a strong stance against any act of B&C by its officers and Associated Persons. This includes taking disciplinary action for all levels, which is part of MBM’s consequence management, and termination of contract where applicable.

### 2. AB&C Policy

MBM’s comprehensive AB&C programme is formulated by adopting the following five Principles of T.R.U.S.T. as prescribed in the Guidelines on Adequate Procedures issued by the Prime Minister’s Department pursuant to the MACC Act:

- Principle I: Top Level Commitment
- Principle II: Risk Assessment
- Principle III: Undertake Control Measures
- Principle IV: Systematic Review, Monitoring and Enforcement; and
- Principle V: Training and Communication.

MBM has established an AB&C Policy to set out its zero-tolerance approach where all forms of B&C are prohibited. It establishes standards of conduct and expected behaviours, obligations, boundaries and provides guidance to all officers of MBM on interaction with all parties in its dealings and activities. In addition, it stipulates the appropriate control measures that need to be undertaken by MBM to prevent and mitigate the risk of B&C.

---

<sup>1</sup> See Appendix for definitions of capitalised terms not defined in the main body of this document.

The AB&C Policy is approved by the Board. The AB&C policies and procedures are reviewed annually and as and when required to enable continuous improvement taking into consideration latest developments in the relevant laws and regulations as well as industry standards and trends.

Officers of MBM shall not, directly or indirectly, give, agree to give or authorise others to give, promise or offer to any person, or receive or solicit from any person, anything of value (financial or otherwise), whether for the benefit of that person or another person, in order to influence business decisions or actions of a person with a position of trust within an organisation or any Public Officials, with the intent to obtain or retain business or gain an unfair advantage in the conduct of business for MBM or the persons involved in the transactions.

In addition, officers of MBM shall not participate in corrupt activity such as criminal breach of trust, abuse of power, embezzlement, fraud or money laundering.

All activities, including transactions of MBM must observe the following principles:

- 1) Intent – all activities must not be conducted or perceived as with the intent to bribe or corrupt to gain unfair advantage or influence a business decision;
- 2) Transparency – all activities must be conducted in an open and transparent manner with appropriate documentation of business rationale and approval;
- 3) Arm's Length – all activities must not be disproportionate to the professional relationship where both parties are not on independent and equal footing that either party may be put into a position of conflict or under an obligation to provide unfair advantage or favour to the other party. Both the value and frequency involved must be reasonable.

## 2.1 Facilitation Payment

MBM does not offer or provide facilitation payment. Associated Persons, in the course of providing services for or acting on behalf of MBM, shall not offer or provide any facilitation payment. This is one of the terms of engagement in the agreement and the contract with the third party service provider will be terminated if this term is breached.

## 2.2 Sponsorship, Charitable Payments and Donations

Sponsorship, charitable payments and donations are allowed subject to the appropriate considerations, controls and approval as stipulated in the AB&C Policy. However, political contribution is prohibited. Charitable payments and donations must be made directly to an official entity with proper records, including official receipts obtained.

### 2.3 Entertainment and Gifts, Hospitality and Travel

Entertainment and gifts which are business related<sup>2</sup> and essential to building a good business relationship, but not with the intent or amounting to influencing decisions in order to obtain new or retain existing business, and are reasonable, modest and within customary practices, are allowed subject to internal thresholds, controls and approval. Stricter policies apply when involving Public Officials, where in principle, it is prohibited unless due to unavoidable reasons where proper approval needs to be obtained. Accepting or giving entertainment and gift from or to suppliers or service providers is prohibited, including during festive season. Gifts in the form of cash or cash equivalent, hospitality and travel are generally prohibited with limited exceptions as stipulated in the AB&C Policy. Controls are also in place to prevent fraud and fraudulent claims.

### 2.4 Due Diligence

Appropriate due diligence and controls must be applied when procuring and engaging Associated Persons / third parties. Among others, the following must be considered:

- Procurement and engagement with the third party should only be conducted when there is a need for their products or services;
- Selection of the third party must be based on merits after proper evaluation;
- There should not be any conflict of interest;
- Consideration must be reasonable at market rate and consistent with the products and services performed taking into consideration the technicality and expertise of the products and services involved; and
- Any potential connection of the third party with Public Officials should be identified and the associated risk be assessed accordingly.

When a third party is appointed to perform services on behalf of MBM, additional controls are applied to manage any potential/additional risks that may derive from the third party. All third party service providers are subject to on-going monitoring and regular assessment. MBM must satisfy itself with the outcome of the due diligence and regular assessment conducted. Contractual provisions must be in place requiring the third party to refrain from any B&C and criminal activities and comply with all the applicable AB&C laws and regulations as well as MBM policies where applicable, otherwise the contract will be terminated.

MBM's recruitment and appointments are purely based on merit in accordance with internal hiring standards, human resources policies and relevant governance related policies. Hiring and appointment, whether paid or unpaid, must not be done in return for a favour, unfair advantage, business, including retaining business, or to influence any third party's decision, including Public Officials. Proper controls are applied to ensure no such potential conflict. In addition, officers of MBM,

---

<sup>2</sup> This includes situations such as corporate or promotional gifts bearing the company's logo for a specific purpose, hospitality, refreshment, food and drink and tokens of appreciation for specific events that are attended by many attendees, exchanging gifts during festive seasons and expression of social courtesies such as presenting gifts as part of a congratulatory message.

including the Directors, must declare conflicts of interest where actual, potential or perceived conflict arises.

## 2.5 Separation of Duties for Financial and Non-Financial Controls

Separation of duties and approval matrices are in place for both financial and non-financial controls and are subject to regular reviews and improvement.

## 2.6 Record Keeping

Proper records with sufficient details and supporting documents must be maintained by the respective departments. Records of all financial transactions must be accurate, complete and auditable in accordance with generally accepted accounting principles. Concealment, making false entries or alteration in the books and records to distort or disguise the true nature of any transaction are strictly prohibited.

## 3. **Risk Assessment, Monitoring and Reporting**

The Compliance Department (“CD”) of MBM is the central point of authority for all AB&C compliance matters, including provision of advice and guidance to MBM’s officers and Associated Persons in relation to MBM’s AB&C programme. MBM conducts regular B&C risk assessment as part of a compliance risk assessment (“CRA”), which is driven by CD, in order to identify any potential and emerging B&C risk, its likelihood and impact, gaps in existing control measures and mitigation actions required, commensurate with the evolving B&C risk and AB&C legal and regulatory requirements. In addition, a more comprehensive risk assessment, taking into consideration MBM’s size, nature and complexity of operation, will be conducted once every three years or when there is material change in applicable laws and regulations or potentially in MBM’s risk profile arising from material change in business strategy, etc.

MBM, through its CD, conducts on-going monitoring on compliance with the AB&C policies and regularly tests the adequacy and effectiveness of its AB&C programme and internal controls. Issue management is in place to ensure that progress of remedial actions is monitored and reported accordingly until satisfactory closure of the issues by the control functions. The AB&C risk assessment, monitoring, and testing and risk reporting are conducted in accordance with the MBM Compliance Framework.

In addition, AB&C is incorporated in the MBM’s material risk assessment (“MRA”) as part of the overall risk management framework and in the overall audit programme. Audits on AB&C are conducted at least once every three years to obtain assurance that the design of operating controls is adequate, and the controls are operating effectively in compliance with the AB&C policies and procedures.

Outcome of the CRA and reviews, and audits conducted, highlighting MBM’s B&C risk exposures, including any non-compliance identified, effectiveness of the AB&C programme, as well as the progress status of any remedial action required, will be reported to the Board Risk Management Committee and the Board Audit Committee respectively. In addition, escalation procedures are in

place for identification, escalation, investigation and reporting of non-compliance incidents to the highest governance level.

#### **4. Training and Communication**

MBM conducts training and awareness sessions for all its officers to raise awareness and understanding of the AB&C programme, MBM's zero tolerance approach to B&C, their obligations and the required control measures, consequences of non-compliance as well as to continually promote integrity, ethical standards and a compliance culture. The modes of delivery include E-Class learning, broadcasting of compliance messages, compliance culture events, town hall sessions, part of the induction programme for new joiners and face-to-face training/briefings, in particular when there are significant changes to the AB&C laws and regulations, programme or policies.

The AB&C Policy, related policies and relevant procedures are communicated throughout MBM and are easily available to all staff. The high-level AB&C Policy Statement is published on MBM's website and is also communicated to Associated Persons such as third party service providers.

#### **5. Reporting of Suspected B&C or Violation of the AB&C Policy**

MBM encourages open and transparent escalation where all MBM's officers have the obligation to report their concern on any actual or suspected B&C or violation of the AB&C Policy. Internal escalation procedures and a whistleblowing channel have been established. In addition, any person, including Associated Persons / third parties or any outsiders, who comes across any actual or suspected B&C activities or violation of the B&C laws and regulations and the AB&C Policy related to MBM, including such committed by officers of MBM, is encouraged to report such incident to MBM. MBM has established a Whistleblowing Policy where such reporting can be made to:

- *whistleblow@mizuho-cb.com*

Reports made in good faith through the whistleblowing channel will be subject to strict confidentiality and protection of the whistle blower, including from any detrimental reprisal.

Proper governance is in place to ensure prompt, fair and transparent investigation and appropriate actions taken on the reported cases, including escalating to the relevant regulatory authorities and law enforcement agencies if the identified B&C incident has been proven beyond reasonable doubt. MBM shall provide full cooperation with the relevant regulatory authorities and law enforcement agencies on any request and investigation related to B&C.

## APPENDIX

### Definitions

No.	Terms	Definitions
1.	Associated Persons	Associated Persons include external parties (including parties within the Mizuho group), that have or intend to establish some form of business relationship with MBM, including those who perform services for or on behalf of MBM. This typically includes clients, customers, business partners, advisors, consultants, outsourcing service providers, suppliers, vendors, agents, representatives and intermediaries.
2.	Bribe	Under the Head Office Procedure (“HOP”) on AB&C, bribe refers to “undue benefit received in relation to the duties of either one or both of the parties concerned. It includes all benefits that satisfy the person’s demand or request that are not limited to money, goods or other asset-related benefit
3.	Bribery	<p>Under the MACC Act, bribery involves any act of corruptly soliciting or receiving gratification for himself or for any other person; or offering or giving gratification to any person whether for the benefit of that person or of another person, as an inducement or a reward for doing or not doing anything in respect of any matter or transaction.</p> <p>Corrupt offences apply to any person who by himself, or by or in conjunction with any person, commits the offence(s) prescribed under the MACC Act.</p> <p>PB, under the HOP on AB&amp;C, defines bribery as provision and receipt of bribe.</p> <ul style="list-style-type: none"> <li>▪ “Provision of bribe” is defined as the act of directly or indirectly providing or applying for or promising to provide bribe to public officials or a third party*, irrespective of the purpose (not limited to obtaining benefit for oneself or a third party).</li> <li>▪ “Receipt of bribe” is defined as the act of receiving, requesting, or promising to receive bribe in relation to one’s duties irrespective of the purpose (not limited to obtaining benefit for oneself or a third party).</li> </ul> <p>*Includes civilian</p>
4.	Corruption	Refers to 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 a person’s job description.
5.	Gratification	Under the MACC Act, gratification means: - <ul style="list-style-type: none"> <li>a) Money, donation, 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;</li> </ul>

No.	Terms	Definitions
		<ul style="list-style-type: none"> <li>b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</li> <li>c) Any payment, release, discharge or liquidation of loan, obligation or other liability whether in whole or in part;</li> <li>d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</li> <li>e) Any forbearance to demand any money or money's worth of valuable thing;</li> <li>f) Any other service or favour 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 forbearance from the exercise of any right or any official power or duty; and</li> <li>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).</li> </ul>
6.	Public Officials	<p>Public Officials refer to:</p> <ul style="list-style-type: none"> <li>a) Officer of a public body;</li> <li>b) b) Officer of a Quasi-public; and</li> <li>c) Foreign public official.</li> </ul> <p>“Officer of a public body” means any person who is a member, an officer, an employee or a servant of a public body, and includes a member of the administration, a member of the Parliament and State Legislative Assembly and a judge of the High Court, Court of Appeal or Federal Court, and any person who is receiving remuneration from the public funds.</p> <p>“Public body” includes the Government of Malaysia; the Government of a State; any local authority and any other statutory authority; any department, service or undertaking of the Government of Malaysia, the Government of a State or a local authority; any society registered under subsection 7(1) of the Societies Act 1966 (“SA”); any branch of a registered society established under section 12 of the SA; any sports body registered under section 17 of the Sports Development Act 1997; any co-operatives society registered under section 7 of the Co-operative Societies Act 1993; any trade union registered under section 12 of the Trade Unions Act 1959; any youth society registered under section 9 of the Youth Development Act 2207; any company or subsidiary of company over which or in which any public body as is referred to in the above has controlling power or interest*; and any society, union, organisation or body as prescribed by the Minister of Finance by order published in the Gazette.</p> <p>“Foreign public official” includes any person who holds a legislative, executive, administrative or judicial office of a foreign country; any</p>

No.	Terms	Definitions
		<p>person who exercise a public function or engages in public service for a foreign country; including for an entity established under a special law to carry out specific affairs in the public interest; any official or agent of public international organisation; and a person who engages in the affairs of an enterprise of which the foreign, state or local governments owns subscribed share capital/ voting rights of 50% or more, or the number of officers appointed/ designated by the foreign, state or local governments exceeds 50% of the total number of officers.</p> <p>*The company of subsidiary of company over/in which the public body has controlling power or interest in general refers to an effective voting rights/ controlling interest of 50% of more (this may be private or public, i.e. listed on a stock exchange).</p> <p><i>Some specific examples: Members of the congress; members of the assembly of the local government; staff of national and local governments; staff of national and public corporations; staff of public international institutions; political parties and their staff; candidates of public officials; persons who conduct activities for government run hospitals, or the government and public organizations. With respect to bank-related parties, the staff of central banks and government-run financial institutions of each foreign country, and staff of international institutions such as the World Bank, IMF, and the Asian Development Bank correspond to foreign public officials.</i></p> <p>Note: Requirements in relation to Public Officials shall apply regardless of whether the Public Official is domestic or foreign. The same requirements shall also apply to member of royal family, member of political party or any person with political influence who can influence decisions or actions of public body including decisions and actions of the Public Officials.</p>
7.	Japanese Public Officials	National public officials under Japan’s Penal Code (employees of the national or local governments, and other officials engaged in public duties by law, such as legislators and commissioners) and Japanese local public officials under the Local Public Service Act.
8.	Quasi-Public Officials	Members of organizations that are incorporated under a special law that include provisions on quasi-public officials, and penalty provisions for bribery. Attention is required as there are cases where executives and employees of joint-stock companies established under the establishing law may fall under “quasi-public officials’ (refer to the ‘List of Quasi-Public Officials’ posted on the Head Office Bulletin Board). Since the establishing laws are varied, if there is any doubt whether someone corresponds to a quasi-public official, consult with the Compliance Department.