

# **Onewo Inc.**

## **Anti-corruption Policy**

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## 1. POLICY STATEMENT

- 1.1 Onewo Inc. (hereinafter referred to as the “Company”) and its subsidiaries (collectively the “Group”) is committed to upholding the principle of simplicity, openness and transparency and establishing honest and win-win cooperation relationships with its cooperating parties in all its business dealings. The Company strictly prohibits any form of fraudulent activities, and is committed to the prevention, deterrence, detection and investigation of all forms of fraudulent acts.
- 1.2 The board of directors is accountable to the implementation of the Group’s anti-corruption efforts (including values, code of conduct, risk management, internal controls, communication and training, oversight and monitoring). The executive directors of the Company are responsible for ensuring the effective implementation of policies and in particular, the monitoring and investigation of any material corruption activities committed within the Group.
- 1.3 Corruption damages a company’s reputation and undermines its relationship with its regulators and its customers, cooperation partners and competitors. It may lead to criminal prosecution of or regulatory action against a company or its employees, resulting in the imposition of criminal or civil penalties, including fines and imprisonment, and could be harmful to a company’s business.
- 1.4 This policy applies to the Group, and to all directors, officers and employees of the Group (including temporary or contract staff) (the “Employees”), as well as external parties with which the Group conduct business and their Third Party Representatives (as further described in paragraph 7 below).
- 1.5 Employees should read this policy from time to time in conjunction with the relevant policies governing the same subject matter including, without limitation, the Onewo Staff Handbook.
- 1.6 Subject to any applicable legal requirements, Employees of the companies of the Group operating in Hong Kong or other jurisdictions shall observe this policy notwithstanding that they are also required to follow the policies and other documents (if any) maintained by their own employing companies on the same subject matters of this policy and in the event of any conflict, this policy shall prevail.
- 1.7 All Employees are required to adhere to this policy or (where applicable) the corresponding policy of the overseas group companies, any breach of which may lead to disciplinary actions that might ultimately result in termination of employment and/or personal civil or criminal sanctions.

- 1.8 All Employees are also always subject to the applicable laws in the country in which their employing company operates.
- 1.9 This policy will not be applicable to affiliates or joint ventures in which Onewo only has a minority interest or does not have management control.
- 1.10 This policy sets out the minimum standards of conduct to which all Employees are required to adhere. Employees should comply with any additional requirements set by their employing company or by local law, which may be stricter than those set out herein.
- 1.11 Questions in relation to this policy should be directed to the integrity construction leader of the Onewo Audit Center, or to the senior management officers designated by the local management of the Employee's employing company (or if no such person is designated, to the employee relations personnel of the human resources department of his/her employing company).

## **2. PROHIBITION ON IMPROPER PAYMENT OF COMMISSIONS, REBATES AND OTHER FORMS OF BRIBERY**

- 2.1 Guidance on what could constitute "bribery" is contained in Appendix 1 to this policy.
- 2.2 Employees are strictly prohibited (whether acting in their own capacity or on the Group's behalf) from:
  - a. offering, promising, giving or authorising, directly or indirectly, any bribe or rebate to or for the benefit of any person (whether in private or public office) in order to obtain any business or other advantage for the Group.
  - b. soliciting, accepting or receiving (whether for the Group's benefit, their own benefit or that of their family, friends, associates or acquaintances) any bribe or rebate from any person (whether in private or public office) in return for providing any business, contract or other advantage in relation to the Group's business.
  - c. using illegal or improper means (including bribes, favours, blackmail, financial payments, inducements, secret commissions or other rewards) to influence the actions of others; or acting as an intermediary for a third party in the solicitation, acceptance, payment or offer of a bribe or rebate.
- 2.3 Apart from strictly complying with the provisions of this policy, Employees must exercise common sense and judgment in assessing whether any arrangement could be perceived as corruption or bribery.

### **3. POLITICAL AND CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS**

3.1 It is the Group's general policy not to make any form of donation to political associations or individual politicians. Employees must not use any funds or assets of the Group to make political contributions at any time to any candidate running for public office or intended to run for any public office, or to make such contributions as a representative of the Group or create the impression that he/she is acting as a representative of the Group. If any requests are made for political contributions by the Group, the chief officer of the business department should submit such request to the executive director in charge of the business department, copying the Onewo Audit Center for approval.

### **4. FACILITATION PAYMENTS**

4.1 Facilitation payments (i.e. payments demanded in return for speeding up or securing the performance of routine government actions, such as obtaining visas, permits or licenses) are prohibited in most countries. There may be rare occasions, in particular where an Employee is under duress (i.e. at risk of loss of life, limb or liberty), where such payments might be acceptable. If a facilitation payment is made under such circumstances, the Employee must notify the matter as soon as reasonably practicable in accordance with the reporting and escalation procedures established by his/her employing company. Records of any facilitation payments are to be maintained by the human resources department of each relevant group companies.

### **5. GIFTS AND HOSPITALITY (THE "BUSINESS COURTESIES")**

5.1 Business gifts and hospitality are customary courtesies designed to build goodwill among business partners. In some cultures, they play an important role in business relationships. However, problems may arise when such courtesies compromise, or appear to compromise, the ability to make objective and fair business decisions. Offering or receiving any gift, gratuity or hospitality that might be perceived to unfairly influence a business relationship should be avoided. The following guidelines apply at all times.

5.2 Business Courtesies must comply with the following principles:

- (a) they must not violate the relevant laws and regulations;
- (b) they must comply with the general ethical standards and business practices;
- (c) they must be provided with the intent only to build or maintain a business relationship or offer normal courtesy, rather than to influence the recipient's objectivity in making a specific business decision;

(d) they should never be offered in return for financial or personal gain; and they must be permissible under applicable laws, rules and regulations. When dealing with a public official, the official's country will often have laws imposing limits on the level of hospitality and gifts which can be accepted, and those laws must be strictly adhered to. When dealing with the private sector, gifts or hospitality should not exceed any limits imposed by the recipient's organization.

5.3 Employees should use good judgment. "Everyone else does it" is not a justifiable reason. Employees should consider whether public disclosure of the Business Courtesy would cause embarrassment to the Group or the recipient; if so, it should not be provided or accepted. In determining whether a specific Business Courtesy lies within the bounds of acceptable business practice, Employees are encouraged to discuss such issue with their supervisor.

5.4 No Employees shall solicit or accept benefits from business-related parties in anyone's name or in any form. Where rebates, commissions or other rewards are being legally offered to the Employees by business-related parties in accordance with the requirements during external activities, such amounts shall be turned in and handled by the Company and under no circumstances shall the Employee keep the amounts in his/her own possession. Only if the gift being offered is of low value (based on generally accepted standards) that the acceptance of which would not subsequently affect the appropriate handling of the business relationship with the offering party and the rejection of such offer would otherwise be deemed an act of discourtesy, the Employee would then be allowed to accept the gift on a public occasion, however, he/she should timely report to their supervisor and turn in the gift afterwards.

## **6. PROCUREMENT OF GOODS AND SERVICES BY THE GROUP AND OTHER BUSINESS PARTNERS**

6.1 The Group is committed to dealing with its customers and suppliers in a fair, honest and professional manner, while seeking best value for the business. Potential suppliers are treated on an equal basis and no unmerited favoritism shall be shown during the procurement of goods and services. The Group conducts its procurement in a fair and transparent manner and Employees must act with due care and diligence when evaluating prospective contractors and suppliers. Proper measures will be taken should these suppliers/vendors are found to be in breach of laws and regulations.

6.2 The Group will not deal with contractors, suppliers and other potential business partners known to be paying bribes and/or engaging in corruption activity. Appropriate levels of due diligence shall be conducted by adequately skilled persons in the selection and renewal of existing contractors, suppliers and other business partners (such as joint venture partners) commensurate with the bribery risk associated with a particular relationship.

## **7. THIRD PARTY REPRESENTATIVES**

- 7.1 Anti-bribery legislation in some countries imposes criminal liability for a company's failure to prevent bribery by anyone providing services for or on behalf of the company. The Group is committed to promoting anti-fraud and anti-bribery practices amongst any third party representatives it engages ("Third Party Representatives"). The Third Party Representative is any person engaged by the Group to represent the Group's interests, which may include advisers, agents, consultants, introducers and searchers, and political lobbyists. The prohibitions in this policy apply to Third Party Representatives engaged by the Group, breach of which could result in termination of their engagement.
- 7.2 The approval of the Company is required before the appointment of any Third Party Representative.
- 7.3 To minimize the risk of Third Party Representatives engaging in inappropriate conduct, companies of the Group should:
- (a) always act with due care and diligence in selecting Third Party Representatives and in monitoring their activities;
  - (b) ensure that Third Party Representatives are aware of and respect the Onewo Anti-Fraud and Anti-Bribery Policy;
  - (c) consider that the contractual agreements with Third Party Representatives allow the relevant companies of the Group to terminate the agreement should the Third Party Representatives breach this policy;
  - (d) ensure that all fees and expenses paid to Third Party Representatives represent appropriate and justifiable remuneration, which is commercially reasonable under the circumstances, for legitimate services rendered by the Third Party Representatives; and keep accurate financial records of all payments.

## **8. COMMUNICATION AND TRAINING**

- 8.1 Each group company should ensure that Employees are informed about and understand this policy, including applicable local procedures and requirements, and that there is a clear escalation procedure for reporting actual or suspected breaches of this policy and suspicious activities. Each company of the Group should make this policy available to all Employees (whether in hard copy or online) and provide briefings to new Employees. Key Employees shall receive at least regular training relating to fraud and bribery risks faced by their organization, as well as compliance with laws, regulations and standards of conduct which are relevant with their field of business, including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), and as the case may be, other related laws of other countries or regions.
- 8.2 It is every Employee's responsibility to confront fraud and bribery by adhering to this policy.

- 8.3 It is the responsibility of every manager and key Employee to convey this policy. Managers or key Employees should ensure that all Employees reporting to them, and external parties within their scope of responsibility working on behalf of their respective companies, understand and comply with the prohibitions in this policy.
- 8.4 No Employee will suffer demotion, penalty, or other adverse consequences for refusing to pay bribes even if such refusal may result in the Group losing business.

## **9. BOOKS AND RECORDS**

- 9.1 Each company of the Group should establish a robust financial and accounting control system, including adequate segregation of duties, authorization controls and logging of entries or changes to ensure the accuracy and completeness of its books of account, as well as to prevent or detect any irregularities. Such system is subject to regular review and audit.
- 9.2 Accurate records of all company transactions, political and charitable contributions and sponsorships (where required under paragraph 3.1) and Business Courtesies (where required under paragraph 5.4) must be kept. All receipts and expenditures must be supported by documents that describe them accurately and properly. The falsification of any book, record or account of any company within the Group is prohibited.
- 9.3 Employees must not pay for Business Courtesies personally as a means of evading the requirements of this policy.

## **10. REPORTING OF BRIBERY AND SUSPICIOUS ACTIVITY**

- 10.1 If an Employee becomes aware of any actual or suspected breach of this policy, he/she must report such incidents in accordance with the reporting policy established by Onewo. The timely reporting of actual or suspected breaches of this policy lies with the Employees who shall promptly report in writing to the Onewo Audit Center. Such incidents shall be reported to the board of directors of the Company in case of any material matter.
- 10.2 To facilitate the formal risk review and assessment by the Group, the Onewo Audit Center should keep a register recording both suspected and actual incidents regardless of the amounts involved.
- 10.3 Employees are actively encouraged to report any concerns regarding fraud or bribery. Procedures as mentioned above are to be in place to ensure that such complaints are logged and investigated, and appropriate action is taken. All reports of fraud or bribery are to be investigated and appropriate sanctions shall be employed. Complaints are to be treated confidentially to the extent possible, and Employees raising legitimate concerns in good faith are to be protected; retaliation of any kind against any Employee for making good faith reports about actual or suspected violation of this policy will not be permitted.
- 10.4 Employees must cooperate fully and openly with any investigation into alleged or suspected corruption activity or breach of this policy. Refusal to cooperate or to provide truthful information may also lead to the Employee being subject to disciplinary action, up to and including dismissal.

## **APPENDIX 1: BRIBERY**

1. “Bribery” involves giving or offering to give any advantage, directly or indirectly, to a public servant (i.e. officers, members and employees of public bodies) or any employee of a company or other person connected with a business, as an inducement or reward for or otherwise on account of such person’s conduct in relation to their employer’s/principal’s affairs.
  - a) In respect of a public servant, such person’s:
    - (i) performing or abstaining from performing any act in his capacity, expediting, delaying, hindering or prevention the performance of an act in his capacity, or assisting, favouring, hindering or delaying any person in the transaction of any business with a public body;
    - (ii) giving assistance or using influence in the promotion, execution or procuring of any contract with a public body or any subcontract thereafter, or in the payment of any money stipulated in any such contract or subcontract;
  - b) In respect of an agent, an employee or other person connected with a business, such person’s:
    - (i) in relation to the affairs or business of his principal or employer, doing or forbearing to do any act, or showing or forbearing to show favour or disfavor to any person;
    - (ii) withdrawal of a tender or the refraining from the making of a tender for any contract with a public body; and refraining from bidding any auction conducted by or on behalf of any public body; it also involves soliciting or accepting bribes. Bribery also takes place when a person, who has any kind of dealings with the Government through any department, office or establishment, offers any advantage to any officers employed in that department, office or establishment of the Government or in the case of any kind of dealings with any other public body, offers advantage to any public servant employed by that public body.
2. All in all, bribery usually occurs where a person offers advantages to another as an inducement or reward for the recipient’s improper performance of duties (usually to win or retain business or advantages), or where the recipient abuses his authority or position for personal gain. Bribery can also take place where the offer or payment is made by or through a third party.



3. Advantage, whether as conditional or unconditional offer or promise or undertaking, includes bribes and kickbacks that can consist of anything of value (i.e. an “advantage”), such as:
  - a) gifts, fee, reward, commission, service, favour, excess entertainment and hospitality, and sponsored travel and accommodation;
  - b) cash payments, whether by or to employees or business partners such as agents, introducers or consultants;
  - c) other favours provided by or to public officials, suppliers or customers, such as engaging a company owned by a member of a public official or customer’s family;
  - d) office, employment or contract;
  - e) free use of a company’s services, facilities or property; and loans, loan guarantees or other extensions of credit on preferential terms, payment, waiver, release, discharge or liquidation of any loan or liability, or other intangible forms of preferential treatment, whether in whole or in part. And further includes any other service, or favour including protection from any penalty or disability incurred or apprehended or from any proceedings of a disciplinary, civil or criminal nature, whether or not already instituted; and exercise or forbearance from the exercise of any right or any power or duty.
4. A list setting out examples of “Red Flags” which may be indicative of bribery is attached in Appendix 2 or available from Onewo Compliance and Risk Control Group for reference. If employees spot any of the “Red Flags” in their dealings with a person/entity with whom the Group does or proposes to do business that arouse suspicion of bribery, they should report the matter in accordance with the reporting and escalation procedures established by their employing company.
5. Bribery is a criminal offence in most countries, including in Hong Kong and the United Kingdom. In addition, some countries, notably the United Kingdom and the United States, have enacted anti-bribery laws which apply to the actions of citizens and domestic companies even if the activity takes place outside the United Kingdom or the United States. The anti-bribery laws in the United Kingdom can also apply to companies wherever incorporated which carry on a business or a part of a business in any part of the United Kingdom. Breach of these laws can lead to severe penalties for companies and individuals. The overseas group of companies should observe their local laws in providing guidance and red flags to their employees.

## **APPENDIX 2: RED FLAG LIST**

Below is the list of Red Flags referred to in paragraph 4 of Appendix 2 to the Onewo Anti-Fraud and Anti-Bribery Policy. This list is not intended to be an exhaustive list, but rather a list of factors which may be indicative of bribery or corruption and otherwise arouse suspicion about a person with whom a company is doing or proposes to do business.

### **Lack of Co-operation**

- Insufficient, false, or inconsistent information provided by the person, for example when performing due diligence.
- Reluctance by the person concerned to provide any information requested for proper identification.
- Refusal to abide by the Onewo Anti-Fraud and Anti-Bribery Policy or other policies of Onewo or the Group.
- Refusal to contractually commit to compliance with applicable anti-bribery and corruption legislation.

### **Abnormal Transactions or Requests**

- Transactions or requests that are not consistent with the business activities of the person, for example payments to a foreign country with no connection to the person.
- A request by a person to structure a transaction to evade normal record keeping and/or reporting requirements or to structure it in a way that appears to have no legitimate business purpose, for example increasing prices or paying funds under cover of a side letter.
- Requests for or unusual fund transfers coming from or going to countries with strict banking secrecy laws or weak anti-money laundering controls or where crime/corruption is widespread.

### **Unclear Identity**

- Traces or signs that the person is not acting on his own behalf, but is trying to conceal the true beneficial owner's identity.
- Transactions with persons with unknown or false or dubious addresses or post office addresses.
- Transactions which have shell companies as middlemen, especially those domiciled in secrecy havens.

- Transactions involving several individuals and companies where there is no apparent relationship.
- Transactions where money or property is passed through a consultant or representative to a government official to obtain certain government actions.
- Use of consultants or representatives who are closely connected with the government or a political party of the country in which the company is doing business.
- Use of an introducer who has an apparent lack of qualifications, experience or resources.
- Request by a government official or a buyer to use a specific introducer.

### **Unusual Business Courtesies or Payments**

- Gifts, favour or other direct or indirect advantage to government officials, political party officials, candidates for public office or customers, or their families.
- Gifts, favour or other direct or indirect advantage to or from parties involved in any business negotiation, tender or auction (whether public or private or by invitation), in which Onowo or the Group is engaging or participating or going to engage or participate.
- Extravagant entertaining of government officials, party leaders or customers or their families.
- Indirect payments to customers, government officials or their families.
- Use, without legitimate justification, of the company's (or the company's representatives') facilities by government officials, customers or their families.
- Requests for unusually large commissions, retainers or other fees.
- Requests from agents/introducers for unusual methods of payment or payments to be made in a third country.
- Payments through a third party (other than a bank) that has no contractual relationship with the company.
- Payments for large amounts by way of money orders, travellers' cheques or cash.
- Lack of transparency in expenses and accounting records.