


	Company	Hektar Asset Management Sdn Bhd	
	Department	Governance	
	Anti-Money Laundering, Anti-Financing of Terrorism & Proliferation Financing (AML/FT/PF) Policy	Ref No	HAM/GOV/POL/01
		Version No	01
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ANTI-MONEY LAUNDERING, ANTI-FINANCING OF TERRORISM & PROLIFERATION FINANCING (AML/FT/PF) POLICY

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1. INTRODUCTION

1.1 This policy document sets out obligations and guidelines that helps to prevent and combat Money Laundering, Countering Financing of Terrorism & Countering Proliferation Financing under this Anti-Money Laundering, Countering Financing of Terrorism & Countering Proliferation Financing Policy (“AML/FT/PF Policy or “Policy”) within the organisation of Hektar Asset Management Sdn Bhd (herein after referred to “Hektar REIT”).

1.2 The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) is the primary statute governing the AML/FT regime in Malaysia. The AMLA makes money laundering a serious offence and as well as criminal offense. Bank Negara Malaysia (BNM), as a central and financial regulatory authority, enforces AMLA provisions to combat illicit financial activities in any organisation.

2. DEFINITION OF TERMS


2.1 The definitions referred to in this Policy shall have the meanings assigned to them in the respective sections or the relevant legal provisions governing this Policy.

2.1.1 Hektar Asset Management Sdn Bhd, “Hektar REIT”, “we”, “us” or “our” when used in this Policy shall refer to Hektar Asset Management Sdn Bhd organisation and their employees and the term “you” or “your” shall refer to each of our employees individually and in the case of Service Providers, including any entity which is controlled by Hektar REIT, unless the context indicates otherwise.

2.1.2 Money laundering when used in this Policy shall mean the process of making fund, cash or property from criminal activities appearing legitimate. This includes receiving, processing, transferring, converting, carrying, disposing of, using the proceeds.

2.1.3 Terrorist financing (ML/TF) when used in this Policy shall mean as the act of providing financial support to terrorist or terrorist organisations to enable them to carry out terrorist acts. This can include funds from criminal activities.

2.1.4 Proliferation financing when used in this Policy shall refers to the act of raising, moving, or making available funds, other assets or other economic resources, or financing in whole or in part, to persons or entities for purposes of weapons of mass destruction proliferation, including the proliferation of their means of

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delivery or related materials (including both dual-use technologies and dual use goods for non-legitimate purposes).

- 2.1.5 Public officials when used in this Policy shall mean official of any governments, government agencies or any regulatory, statutory or administrative bodies, whether local or foreign.

3. OBJECTIVE AND PURPOSE

3.1 The objective of this AML/FT/PF Policy is to provide guidance to all employees of Hektar REIT in establishing an effective framework to prevent the misused of Hektar REIT's resources for money laundering, terrorism financing or proliferation financing activities. The policy aims to safeguard the integrity of Hektar REIT and comply with all applicable laws and regulations regarding AML, FT and PF and to coexist with the Whistleblowing Policy.

3.2 The purpose of this AML/FT/PF Policy is to:


- 3.2.1 set out our responsibilities and the responsibilities of those working with us for observing and upholding our stance against bribery and corruption; and
- 3.2.2 provide information and guidance to those working for us on how to recognize bribery and corruption issues and the procedures for dealing with such issues.

3.3 Hektar REIT as the holder of a license under the Capital Markets and Services Act 2007 ("CMSA") carrying out the regulated activities of fund management, which falls under the definition of "Reporting Institution" as described in the First Schedule of the AMLAFTA, this Policy is applicable to anyone who is employed by or works at Hektar REIT (whether permanent, fixed-term or temporary basis) and directors (executive and non-executive). It is also applicable to our service providers of any kind performing work or services, for and on behalf of Hektar REIT.

4. ROLES AND RESPONSIBILITIES

4.1 The roles and responsibilities are set out as follows: -

Roles	Responsibilities
Board of Directors	Establishes oversight, approves AML/FT/PF policies and monitors compliance. Supports the management's implementation of this Policy.

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Management	Implements the day-to-day responsibility for implementing and overseeing this Policy and for monitoring its use and effectiveness. Regularly reports to the Board/ARMC periodically concerning implementation, effectiveness and breaches.
Compliance Officer	Appointed to oversee AML/FT/PF programs, train staff and report suspicious activities or illicit transactions. Reviewing the adequacy of this Policy from time to time.
Employees	Expected to adhere to this policy, report suspicious transactions and attend mandatory training.
Service Providers/ Business Partners	Expected to adhere to this policy, report suspicious transactions via disclosures.

4.2 Aside to the roles and responsibilities stated under 4.1 above, the general expectations on all the employees of Hektar REIT are:

- a) To discharge their duties in accordance with their contractual obligations and with due regard to the code of ethics and internal policies and SOPs of Hektar REIT.
- b) To understand and adhere to the provisions under this Policy.
- c) To avoid handling any money, goods or other items known or suspected to be associated with the proceeds of crime, or becoming involved with any services known or suspected to be associated with the proceeds of crime.
- d) To remain vigilant and report concerns related to suspected money laundering activities.
- e) To co-operate fully with any investigations into reported concerns; Except for the reporting obligations, to maintain confidentiality about any suspected or actual incidents involving Hektar REIT.

5. PROHIBITED TRANSACTIONS OF AML/FT/PF

The following are the key standards of practice that must be adhered to protect Hektar REIT from being exploited under these illicit activities:


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5.1 Anti-Money Laundering and Anti-Terrorism Financing

- 5.1.1 Money laundering when used in this Policy shall mean the process of making fund, cash or property from criminal activities appearing legitimate. This includes receiving, processing, transferring, converting, carrying, disposing of using the proceeds.
- 5.1.2 Pursuant to Section 4 of the AMLA, money laundering offence is committed when a person:
- a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence.
 - b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence.
 - c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence.
 - d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence.
- 5.1.3 Money laundering is a very serious offence and legal implications arising from such an offence is severe. Our Employees and Service Providers/ Business Partners are prohibited any practices or dealings relating to money laundering.

5.2 Anti-Terrorist Financing

- 5.2.1 Terrorist financing (TF) when used in this Policy shall mean as the act of providing financial support to terrorist or terrorist organisations to enable them to carry out terrorist acts. This can include funds from criminal activities.
- 5.2.2 Pursuant to Section 3(1) of AMLA addresses terrorist finance offenses to the Penal Code under Sections 130N, 130O, 130P and 130Q. Essentially, financing of terrorism includes: -
- a) providing or collection property for carrying out an act of terrorism.
 - b) providing services for terrorism purpose.
 - c) arranging for retention or control of terrorist property.
 - d) dealing with terrorist property.

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5.2.3 Hektar REIT will neither enter into nor tolerate any arrangement which facilitates or appears to be Hektar REIT will neither enter nor tolerate any arrangement which facilitates providing financial support to terrorist or terrorist organisations intended to be utilised to disguise the criminal activity or conceal criminal proceeds.

5.3 Proliferation of Financing

5.3.1 Proliferation financing when used in this Policy shall refers to the act of raising, moving, or making available funds, other assets or other economic resources, or financing in whole or in part, to persons or entities for purposes of weapons of mass destruction proliferation, including the proliferation of their means of delivery or related materials (including both dual-use technologies and dual use goods for non-legitimate purposes).

5.3.2 Hektar REIT 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.

5.4 Anti Bribery & Anti-Corruption

5.4.1 Hektar REIT upholds a zero-tolerance approach in bribery and corruption. All forms of bribery and corruption are strictly prohibited. In addition to bribery, the employees and Service Providers/Business Partners must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

5.4.2 Bribery may take the form exchange of money, goods, services, property, privilege, employment position or preferential treatment. The Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of Hektar REIT or the persons involved in the transaction.

5.4.3 Hektar REIT recognises the value of integrity in the Employees. Hektar REIT's recruitment policy, training, performance evaluation, remuneration, recognition and promotion for all employees, shall be designed to recognise integrity.

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5.2.4 This Policy prohibits all forms of bribery and corrupt practices and makes no distinction between whether they are being made to persons in the public or private sectors. Hektar REIT’s relationships with public officials, our Employees, Service Providers/Business Partners and any other parties are based on transparency and integrity. Our Employees and Service Providers/Business Partners must not directly or indirectly pay, offer or promise any gratification to any public official, party or their family members as an inducement for or reward for acting improperly. Furthermore, our Employees must not directly or indirectly pay, offer or promise any gratification to customers, Service Providers/Business Partners or any other party for the purpose of exerting influence, soliciting payment or other unfair or illegal preferential treatment. Our Employees will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

5.5 Giving and Accepting of Gifts & Hospitality

5.5.1 All employees must strictly adhere to Hektar REIT’s ABAC Policy. All relationships with customers and business associates must remain objective, fair, transparent and free from conflict.

5.5.2 We prohibit employees from offering, soliciting or receiving any gifts or hospitality in any form, to or from current or potential customers, vendors, agents and Service Providers/Business Partners, either directly or indirectly which may influence the employee’s judgment in a decision-making process or put the employee in a position of conflict.

5.5.3 All directors shall not give or accept gifts or hospitality in any form, to or from current or potential customers, vendors, agents and Service Providers/Business Partners, either directly or indirectly which may put the director in a position of conflict of interest, perceived or actual.

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6. INTERNAL MEASURES

6.1 Hektar REIT will implement and maintain adequate internal controls including:

- 6.1.1 To conduct a comprehensive risk assessment periodically/annually to identify potential money laundering risks associated with the REIT's operations, tenant relationship and financial transactions;
- 6.1.2 To collect and maintain relevant documentation to support due diligence process of any counterparty;
- 6.1.3 To implement "Know Your Customer (KYC)" procedures to verify the identity of significant investors and tenants;
- 6.1.4 To report of any suspicious transactions to the compliance officer as per regulatory requirements;
- 6.1.5 To provide AML training and awareness for all relevant employees to ensure understanding of money laundering risk and reporting obligations
- 6.1.6 To establish monitoring risk assessment mechanisms to detect and report suspicious transactions or activities;
- 6.1.7 To maintain records which are easily accessible for regulatory review and audits.

7. MONITORING AND REPORTING

- 7.1 If anyone suspects, or reasonably believe that this Policy has been, or is being breached, you have an obligation to report your concerns to the Compliance Officer and where applicable, you may report such concerns using the reporting channels under the Whistleblowing Policy available at Hektar REIT website.
- 7.2 All concerns reported will be taken seriously, treated in confidential manner and investigated immediately. Your anonymity will be protected unless the disclosure is required by law pursuant to an investigation or legislation, but you may be required to provide a statement as supporting evidence to any investigation. Any retaliation directed against anyone making such report will not be tolerated.
- 7.3 All reports shall be made in good faith and the report must be legitimate, true and accurate in facts.
- 7.4 If you have any queries or concerns about whether an act might constitute AML/FT/PF, these should be raised to the Compliance Officer.

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7.5 Once you have reported a suspicion or concern the matter should not be discussed with any person other than those responsible for investigating it until otherwise notified or the information is made public.

8. TRAINING AND AWARENESS

8.1 All employees and directors will receive regular, relevant training on how to implement and adhere to this policy.

8.2 All employees shall ensure that this Policy is duly communicated to the respective service provider/business partners and/or third parties affiliates under your purview.

9. OTHERS

This policy shall be reviewed from time to time, subject to the developments in the relevant laws and international standards.