



TCL ELECTRONICS HOLDINGS LIMITED

TCL 電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

(the “**Company**”, together with its subsidiaries, the “**Group**”)

Anti-Corruption Policy

Consolidated, codified and adopted with effect from 11 March 2022

ANTI-CORRUPTION POLICY

This Anti-Corruption Policy (“**Policy**”) sets out the guiding principles for employees of the Group (including officers and directors) (“**Employees**”), those acting in an agency or fiduciary capacity on behalf of the Group (e.g. agents, consultants and contractors) (“**Agents**”) and external parties doing business with the Group (“**External Parties**”) on the anti-corruption policies of the Group to promote and support anti-corruption laws and regulation.

This Policy is prepared in both English and Chinese. In the event of inconsistency, the English version shall prevail.

1. OBJECTIVES AND SCOPE OF THE POLICY

- 1.1. Change, innovation, accountability and excellence are the core values of the Company. In terms of accountability, the Company regards integrity, honesty, fairness, impartiality and ethical business practices as the core values and part of the culture of the Company which must be upheld by all Employees at all times. The Company is committed to adopting ethical and anti-corruption business practices, uphold high standard of integrity and have zero tolerance to corruption.
- 1.2. Corruption acts include but not limited to bribery, money laundering and financing of terrorism. In this Policy, the following terms have the following meanings:
 - (a) “**advantage**” includes direct or indirect provision or receipt of anything of value or any other actions, such offer of any office, employment or contract; any payment or discharge of any loan or other liability; any other services or favour; the exercise or forbearance from the exercise of any right or any power or duty; and any offer, undertaking or promise;
 - (b) “**hospitality**” includes meals, receptions, tickets to entertainment, social or sports events; and
 - (c) “**kickback**” means the return of a sum already paid or due as a reward for awarding further business.
- 1.3. Corruption acts, if undertaken by any Employees, Agents or External Parties, whether in Hong Kong or elsewhere, will damage the reputation of the Group and undermines its relationship with its customers, business partners, regulators and the public. They may also lead to criminal prosecution, civil action or regulatory action against the Group, resulting in the imposition of criminal or civil penalties, including but not limited to fines, imprisonment or other sanctions which may seriously damage the Group. Accordingly, in conducting all business and affairs of the Group, the Employees, Agents and External Parties must comply with the relevant applicable anti-corruption laws and regulations of Hong Kong or other countries or regions, including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong, hereinafter “**POBO**”).
- 1.4. This Policy aims to set out the guiding principles of the anti-corruption policies of the Group. The Company may from time to time issue practice directions or practical guide in relation to the anti-corruption policy as and when necessary, and may implement anti-corruption-related compliance policies and rules of the parent company issued from time to time which are applicable to the Group (if any) as and when necessary.
- 1.5. Unless otherwise specified, this Policy applies to all Employees, Agents and External Parties. For the purpose of this Policy, references to persons include individual, bodies corporate, unincorporated association or organisation and partnership (whether or not having a separate legal

personality), references to entities include bodies corporate, unincorporated association or organisation and partnership (whether or not having a separate legal personality).

2. PREVENTION OF BRIBERY

- 2.1. The Group prohibits all forms of bribery. All Employees, Agents and External Parties are prohibited from directly or indirectly soliciting, accepting or offering any bribe in conducting the Group's business or affairs, whether in Hong Kong or elsewhere.
- 2.2. As a general guidance, the following conducts may constitute bribery but they are by no means exhaustive:
 - (a) solicit or accept any advantage from others as a reward for or inducement to doing any act or showing favour in relation to the Group's business or affairs;
 - (b) offer any advantage to an agent of another (i.e. principal) as a reward for or inducement to doing any act or showing favour in relation to his principal's business or affairs;
 - (c) offer any advantage to any public servant (including but not limited to employee of any government or public body) as a reward for or inducement to his/her performing any act in his/her official capacity or his/her showing any favour or providing any assistance in business dealing with the government or public body; or
 - (d) offer any advantage to any staff of a government department or public body while they are having business dealing with the latter.
- 2.3. In brief, bribery includes but not limited to any illicit advantage offered or accepted as an inducement to or a reward for performing or abstaining from performing any duties; or giving of anything of value in an attempt to affect a person's actions or decisions in order to gain or retain a business advantage. Items considered bribes include cash, cash equivalents, loans, commissions, benefits in kind or other favours.

3. ACCEPTANCE AND OFFER OF ADVANTAGES

- 3.1. While it is customary for business contacts to offer gifts or other advantages to directors or staff of another party, these may have a bribing or sweetening effect, or give rise to the perception of such if the gifts or advantages are disproportionate to the circumstances. Accordingly, in general:
 - (a) Employees and Agents must not solicit or accept any advantages from themselves or others or from any person having business dealings with the Group, whether directly or through a third party, and whether or not undue favour is involved, except that they may accept (but not solicit) business gifts and hospitality ("**business courtesy(ies)**") that are customary courtesies designed to build goodwill among the parties

which comply with the general principles set out in paragraph 3.2. In any event, acceptance of any advantages (including but not limited to gift, gratuity, hospitality or courtesies) that might be perceived to unfairly influence a relationship must be avoided; and

- (b) Employees and Agents must not offer advantages to any director, partner, trustee, officer, employee, staff or agent of another entity, for the purpose of influencing such person in any dealing, or any public official, whether directly or through a third party, when conducting the Group's business. Even when an offer of advantage carries no intention of improper influence, it should be ascertained that the intended recipient is permitted by his/her employer or principal to accept it under the relevant circumstances before the advantage is offered.

3.2. Business courtesies must comply with the following general principles:

- (a) they must be reasonable and not excessive;
- (b) they must be of modest value, both in isolation and when considered in the context of other gifts and hospitality offered;
- (c) they must be appropriate and consistent with reasonable business practice;
- (d) 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;
- (e) they should never be offered in return for financial or personal gain or favour; and
- (f) they must be permissible under all applicable laws, rules and regulations, in particular: when dealing with a public official, the official's country or region 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; and when dealing with the private sector, gifts or hospitality should not exceed any limits imposed by the recipient's organisation.

3.3. Employees should use good judgment; "everyone else does it" is not sufficient justification. Employees should consider whether public disclosure of the business courtesy(ies) 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 the issue with their supervisor.

4. INTEGRITY AND CONDUCT STANDARDS FOR COMMON SCENARIOS

4.1. The minimal integrity and conduct standards expected of the Employees and Agents for various common scenarios are set out below but they are by no means exhaustive and shall subject to the latest practice directions and practical guides issued by the Group under this Policy from time to time:

(a) **Offering and accepting gifts, cash, kickbacks or entertainment**

Employees and Agents of the Group shall not accept gifts, cash, kickbacks or entertainment in conducting the Group's business or affairs. However, gifts which are exchanged according to normal business practices may be excluded. Gifts or cash exceeding certain value as designated by the Group from time to time which are failed to be rejected or returned shall be handed in to the relevant departments of the Group within prescribed period of time.

Whenever Employees or Agents offer gifts, cash, kickbacks or entertainment to external parties, there is a risk of bribery. The Group strictly prohibits providing cash or cash equivalents for bribery purposes. To determine whether a gift or entertainment is legal and reasonable, Employees and Agents should consider a basket of factors including but not limited to the scenario, purpose, method and target of provision of gifts or entertainment, the nature of the gift or entertainment and overall circumstances. They shall promptly consult the head or relevant person in charge of the relevant departments of the Group where necessary.

(b) **Sponsorship and charitable donations**

Employees and Agents of the Group may provide sponsorship or charitable donations for corporate social responsibility or brand promotion purposes. The Group strictly prohibits sponsorship or donations provided for the purpose of gaining unfair competitive advantage, seeking improper profits returns or other illegal or improper purposes. When providing sponsorship or donations, Employees and Agents shall meet the compliance requirements set out by the relevant department, including but not limited to providing legitimate reasons, compliance with applicable laws and regulations and ensuring the sponsored or donated fund or objects will not be used for activities with bribery risk. They shall promptly consult the head or relevant person in charge of the relevant departments of the Group where necessary.

(c) **Travel and accommodation**

Payment of travel and accommodation expenses (including but not limited to transportation expenses, catering expenses and allowances) incurred by the Group on behalf of external parties (such as

government officials, partners or employees of counterparties) must be based on real and reasonable business purposes and shall comply with applicable requirements, laws and regulations of the external party. The Group strictly prohibits provisions of any form of travel and accommodation benefits to external parties to influence them to make business decisions that are beneficial to the Group or to seek other improper advantages.

(d) Political expenditure

Political expenditure refers to political donations such as provision of cash or valuables to individuals or entities engaged in election activities or other political-related activities. The Group strictly prohibits provision of political donations to individuals or entities engaged in campaigning or other political-related activities. Employees and Agents shall not make political contributions or participate in political activities in the name of the Group (or any member thereof) without authorisation, nor shall they seek improper advantages for the Group therefrom. However, this will not prevent payment by the Group for attendance at open social events hosted by political parties.

(e) Recruitment

The Group strictly prohibits bribery by offering job or internship opportunities to Employees, Agents, External Parties or their employees, close relatives or close associates.

The Group strictly prohibits tempering with internal evaluation or attempting to influence other party to make favourable decision for the benefits of, or to provide improper advantages to, individual Employees, Agents or External Parties.

- 4.2. Employees and Agents should use good judgment and are encouraged to discuss and consult the head or relevant person in charge of the relevant departments of the Group where necessary.

5. CONFLICT OF INTEREST

- 5.1. A conflict of interest arises whether a person's private interests interfere with the proper discharge of his/her official duties. Employees shall avoid any situation which may lead to an actual or perceived conflict of interest without prior consent from the relevant authority of the Group. When actual or potential conflict of interest arises, such Employee shall make a declaration to the relevant internal authority of the Group.
- 5.2. Some common scenarios which would potentially give rise to a conflict of interest are described below but they are by no means exhaustive:

- (a) an Employee involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the Group;
 - (b) one of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the Employee involved in the process;
 - (c) an Employee undertaking part-time work with a contractor whom he/she is responsible for monitoring; or
 - (d) having an interest in a company (other than as a holder of securities in a company whose securities are listed on any stock exchange) which either competes with or has business dealings with the Group.
- 5.3. All Employees shall declare their interest annually pursuant to the relevant internal regulations of the Group and promptly report to the person in charge of the relevant department where a conflict of interest arises. The person in charge of relevant department shall determine how to handle each specific conflict of interest.

6. ANTI-MONEY LAUNDERING AND CUSTOMER DUE DILIGENCE

- 6.1. The Group shall implement customer due diligence and record-keeping measures for different kinds of customer, business relationship, products or transactions to prevent money laundering, financing of terrorism and other corruption acts. The Group shall take into account factors including products and services offered, types of customers and geographical locations involved when determining the applicable customer due diligence measures for different scenarios.

7. COMPLIANCE WITH LAWS AND THE POLICY

- 7.1. All Employees and Agents must comply with all applicable laws, regulations and rules in relation to anti-corruption and this Policy and report breaches of this Policy to the designated department of the Group pursuant to applicable internal practice directions or practical guides. The relevant responsible department shall bring attention to the board of directors of the Company on material breaches of this Policy where appropriate.
- 7.2. Employees and Agents who breach this Policy may subject to disciplinary action, which may include termination of employment or engagement (as the case may be).
- 7.3. In cases of material breach of this Policy which involve suspected corruption or criminal offences, a report shall be made to the relevant law enforcement authority where appropriate.

8. ANTI-CORRUPTION PROGRAMME

8.1. All Employees and Agents are responsible for identifying, preventing and responding to risks of corruption. The Group has designated different roles of corruption risk management to various departments of the Group such as the legal and compliance department and audit department.

8.2. The anti-corruption compliance management system of the Group comprises the following functions in order to prevent corruption:

(a) Risk assessments

The risk assessment procedures aim to identify, evaluate, prevent and control anti-corruption compliance risks for specific business activities. The compliance and legal department and/or audit department of the Group shall provide support to business departments on assessing corruption risks.

(b) Compliance monitoring and continuous supervision

The relevant business departments and personnel shall continue to monitor the compliance of relevant business activities. They shall promptly report to the relevant department when red flags of corruption risks or breaches are discovered and take appropriate measures until the issue has been dealt with.

(c) Compliance audit

The relevant department of the Group shall conduct regular review on the implementation of anti-corruption policies and compliance system of the Group and promptly rectify the deficiencies and weaknesses discovered.

(d) Report and investigation

The Group has set up channels for Employees, Agents and External Parties to report corruption conducts or breach of anti-corruption policies. After receiving the reports, the Group will conduct preliminary assessment of the cases and may conduct internal investigation where necessary. Further, all Employees, Agents and External Parties are encouraged to report improprieties in accordance with the whistleblowing policy adopted by the Group.

(e) Training and communication

The relevant department of the Group shall formulate anti-corruption compliance training plans and provide relevant training to all Employees and Agents where appropriate to enhance their awareness of risks of corruption (including but not limited to risks of bribery, money laundering, financing of terrorism or non-compliance with local laws and regulations such as the POBO). All Employees shall provide signed declaration on their compliance with anti-corruption policies of the Group from time to time pursuant to the internal regulations of the Group

9. DISCLOSURE OF THE POLICY

9.1. This Policy shall be published on the website of the Company for public access.

10. PERIODIC REVIEW

10.1. The mechanism set out in this Policy shall be reviewed periodically.

10.2. The guiding principles set out in this Policy shall be read in conjunction with the practice directions and practical guides issued by the Group from time to time.

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