

HKT

HKT TRUST

*(A TRUST CONSTITUTED ON 7 NOVEMBER 2011 UNDER THE LAWS OF HONG KONG
AND MANAGED BY HKT MANAGEMENT LIMITED)*

AND

HKT LIMITED

*(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
(STOCK CODE: 6823)*

Statement of Anti-Bribery and Corruption Policy

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HKT - a PCCW Group member



HKT TRUST

AND

HKT LIMITED
(THE “COMPANY”)

STATEMENT OF ANTI-BRIBERY AND CORRUPTION POLICY

GENERAL

HKT Limited (“**HKT**” or the “**Company**”) and its subsidiaries (**collectively, the “Group**”) are committed to preserving a culture free of bribery and corruption and upholding the highest standards of conducting business in a legal and ethical manner.

In furtherance of this commitment, the Company adopts a zero-tolerance policy towards bribery and corruption in any form and at any level, in association with any aspect of the Company’s activities. It is wholly unacceptable for all persons worldwide working for all affiliates and subsidiaries of the Company at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with the Company, where applicable involved or implicated in any way in bribery and corrupt practices (**collectively, the “individuals”**). Where more specific reference is used (such as “suppliers”), the more specific reference is intended. There are no exceptions.

The Group Anti-Bribery and Corruption Policy (**the “ABC Policy”**) and Anti-Bribery and Corruption Procedure Manual (**the “Procedure Manual”**) are established to form the fundamental components of an Anti-Bribery and Corruption (“**ABC**”) framework. This policy statement (**the “Statement”**) cites the key principles of the ABC Policy and Procedure Manual provided below.

1. Rules of Bribery and Corruption

- The individuals must not promise, offer, give, request, induce, solicit, encourage, agree to receive, or accept any advantage, whether in cash or otherwise, to or from any third party (including government official) in return for favourable treatment, to influence a business outcome or to gain any business benefit.
- The individuals should avoid not only bribery but also the appearance of bribery in all business transactions, in particular during commercial negotiations or tender process, if this may be perceived as intended or likely to influence the business outcome.
- The individuals should uphold all applicable laws and corporate rules at all times. Where the laws, regulations or customs of the country where the Company does business impose stricter standards than the local Anti-bribery regime, the higher standard prevails.

2. Gifts and Hospitality

- The Company does not prohibit normal and appropriate bona fide hospitality or gifts (given and received) to or from third parties provided that they are reasonable and proportionate, not unduly lavish or too frequent, and above all, are not intended to improperly influence or impair the objectivity of the person receiving it.
- The individuals must not engage in any practice or procedure which might conceal, facilitate or constitute bribes, kickbacks, improper gratuities or other illegal or improper payments or receipts.

3. Suppliers and Other Third Party Intermediaries

- The individuals must ensure that the selection of contractors, sub-contractors, distributors, service providers, suppliers (**collectively, the “suppliers”**) and any other third party is made on the basis of applicable regulations, and on the basis of strictly objective criteria which includes: quality, technical excellence, cost/price, schedule/delivery, services and maintenance of adequate sources of supply.
- The Company expects all suppliers and other third parties engaging in business with the Company to adhere to the ABC principles outlined in the Statement. The individuals shall ensure each supplier and third party within their work area is fully briefed on the principles and committed to strict compliance with appropriate wording in contractual agreements to maintain the business relationship and uphold the highest standards of integrity.

- The individuals shall not have any personal or family conflicts of interest with suppliers or other third parties engaged in conducting the Company business.
- The individuals must not accept for personal benefit goods or services of more than nominal value from suppliers or other third parties.
- Robust due diligence process including risk assessment from an ABC perspective must be conducted prior to engaging suppliers and any other third party, new business or entering into a joint venture. In addition, a remediation plan must be developed and implemented to address identified issues.
- Engagement of suppliers and other third parties must never be used to create an incentive or to reward or to secure any improper business advantage for the Company.

4. Charitable Contributions

- The Company supports charitable contributions, whether in the form of in-kind services, knowledge, time, or direct financial contributions in cash or cash equivalent.
- The individuals must be mindful to ensure that charitable contributions on behalf of the Company are not used as a scheme to conceal bribery and seek for proper prior approval from senior management.

5. Political Contributions

- The Company does not make contributions of any kind, including the provision of goods and/or services for less than market value in support of any political party, politician or candidate, as this can be perceived as an intention to influence for the benefit of the Company.

6. Facilitation Payments and Kickbacks

- The individuals must not make or accept direct or indirect facilitation payments or kickbacks of any kind.

7. Training and Communications

- The Company ABC framework with zero-tolerance attitude shall be clearly communicated with the individuals. The Company has an effective ABC training programme by providing regular refresher training on ABC to further strengthen the awareness amongst all staffs on topics pertaining to Bribery & Corruption.

8. Reporting Potential Misconduct/Non-Retaliation

- The Company encourages openness and supports anyone who raises genuine concerns in good faith under the Statement.
- The Company has an independent escalation channel to increase ABC awareness and allow individuals to report any suspicion of bribery or corrupt activities.
- The individuals who, based on good faith, report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct shall be protected against retaliation.

9. Record Keeping and Internal Control

- The Group is expected to implement and maintain controls designed to ensure all transactions are properly executed.
- The Company business records must accurately reflect the true nature and extent of its transactions and expenditures. All accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, such as clients, suppliers and business contacts, must be prepared and maintained with strict accuracy and completeness.
- The individuals must ensure all expenses claims relating to hospitalities, gifts or expenses incurred to Third Parties are submitted in accordance with Company policies and specifically record the reason for the expenditures.

10. Breaches

- Any potential breach of the Company ABC policy and procedure manual must be investigated and the individuals could potentially face civil or criminal liability if they have committed a breach.