

# ANTI BRIBERY AND CORRUPTION POLICY

MCIS Insurance Berhad

Compliance Department

<b>Division / Department:</b>	Compliance Department
<b>Policy Title:</b>	Anti-Bribery and Corruption Policy

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## 1. Document Information and History

<b>Document Owner</b>	Chief Compliance Officer
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Date	Version	Change Reference
1 April 2020	1.0	New
		<p>Paragraph 6 is a new inclusion.</p> <ul style="list-style-type: none"> <li>- 6.3.4 Any gifts and entertainment exceeding the threshold of RM500 in a single receipt involving a Government Official/PEP will be required to be properly documented and notified to Compliance Department for record purpose.</li> </ul> <p>Revised to:</p> <p>7.3.4 Any gifts and entertainment regardless of any amount, whether or not involving a Government Official/PEP will be required to be properly documented and notified to Human Resource Department via the Gifts Acceptance Disclosure Form for record purpose.</p>

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## 2. Purpose / Overview

- 2.1 MCIS Insurance Berhad (“MCIS Life or the Company”) has established the Anti-Bribery and Corruption Policy to set out the Company’s standards in managing and mitigating bribery and corruption.
- 2.2 The main objective of this policy is to establish the roles and responsibilities and general guidance on transactions relating to gifts and entertainment as well as transactions or relationships with all contracting parties including government officials.

## 3. Scope of Coverage / Applicability

This Policy is applicable to all directors, employees, intermediaries, shareholders, policyholders, parties in a direct contractual and/or fiduciary relationship with the Company.

## 4. Definitions

<b>Terminology</b>	<b>Description / Definition</b>
Bribery	Providing, offering or promising anything of value such as goods, services and non-cash benefits or advantages whether directly or indirectly to another person or entity for the purpose of securing an improper advantage and accepting or requesting an improper benefit.
Corruption	Involves the abuse of position or power for an improper personal or business advantage.
Government official	Includes anyone regardless of rank or title acting in an official capacity on behalf of a government, government-owned entities or agencies or statutory bodies both foreign and domestic. Examples include: <ul style="list-style-type: none"> <li>▪ Regulators, tax, customs and immigration officials</li> <li>▪ Law enforcement officials and judges</li> <li>▪ Mayors, ministers, elected representatives and other local politicians</li> <li>▪ Political parties, officials of political parties and candidates for political office.</li> </ul>
Politically Exposed Person (PEP)	Individuals who are or have been entrusted with public functions, Heads of State or of government, politicians, government, judicial or military officials and executives of state owned corporations, political party officials. Their “family members” are individuals who are related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership. Their “close associates” are individuals who are closely connected to a PEP, either socially or professionally.

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## 5. Roles & Responsibilities

### 5.1 Board of Directors (“Board”)

The Board shall be responsible to:

- a) Oversee the sound and prudent management of anti-bribery and corruption practices in MCIS Life.
- b) Approve the Anti-Bribery and Corruption Policy.
- c) Appoint a governing body i.e. an independent oversight function to deal with anti-corruption matters.
- d) Ensure that the Company’s strategies and this anti-bribery & corruption policy are aligned.

### 5.2 Board Risk Management Committee (“BRMC”)

The BRMC will assist the Board in fulfilling its governance and risk responsibilities that is inter alia reviewing the implementation and maintenance of the requirements of anti-bribery and corruption policy.

### 5.3 Governance, Risk and Compliance Committee (“GRCC”)

GRCC shall be responsible to:

- a) Ensure compliance with the requirements of the Policy.
- b) Ensure the implementation and maintenance of the requirements of the Policy by ensuring that appropriate processes and procedures are established to mitigate bribery and corruption risks.
- c) Ensure a proper monitoring and reporting of bribery and corruption matters in accordance to the requirements in this Policy.
- d) Ensure continual improvement in the management of anti-bribery and corruption throughout the Company.

### 5.4 Compliance Department

- a) Responsible for the overall development, implementation and supervision of the Company’s Anti-Bribery and Corruption compliance program and for promoting related training.
- b) Develop and implement Anti-Bribery and Corruption Manual Procedure to comply with the Policy.
- c) Update the employees whenever there are any changes in the law and regulations governing anti-bribery and corruption.
- d) Monitor compliance with the Policy by testing the adequacy and effectiveness of established controls.
- e) Report any breaches of the Policy to GRCC and BRMC/Board.

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#### 5.5 Head of Divisions/Departments

- a) Responsible for compliance of the department with the requirements of the Policy.
- b) Consider gift and entertainment requests made by employees and determine their acceptability.

#### 5.6 All Employees

- c) Understand their responsibilities relating to the requirements of the Policy.
- d) Comply with the requirements of the Policy.
- e) Provide accurate details of any proposed or incurred spending on gifts and entertainment and obtain the necessary approvals in accordance with the requirements of the Policy.
- f) Report any suspected or actual attempts at giving or soliciting bribes.

### 6. Corporate Liability Provision Under Section 17A MACC Act 2009

- 6.1 The Malaysian Anti-Corruption Commission Act 2009 (MACC Act) has been amended, among others, to introduce corporate liability provision for bribery and corruption under Section 17A.
- 6.2 Section 17A was enacted to enable organisations involved in corruption activities to be subjected to legal action and persons associated with the organisations will be deemed to commit the corresponding offence unless it can be proven that adequate measures have been put in place.
- 6.3 Organisations/companies whom these individuals work for will also be held liable for not preventing the corrupt acts from happening.
- 6.4 Corrupt actions of ordinary employees will have an impact on their organisations/companies.
- 6.5 Section 17A(6) clarifies that category of persons considered associated with a commercial organisation include:
  - a) directors, partners and employees of the commercial organisation;
  - b) and any person who performs services for or on behalf of the commercial organisation.

### 7. Guiding Principles & Minimum Standards

- 7.1 MCIS Life values our world-wide reputation for ethical behavior, financial probity and reliability. We recognize that any involvement in bribery and corruption will also reflect adversely on the Company wide image and reputation. As part of its commitment, the Company has adopted **zero tolerance** against all forms of bribery and corruption, whether it is committed by the directors, partners, employees of the Company or third parties who are acting for or on behalf of the Company.

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7.2 The Company will take appropriate disciplinary action against any employee whose actions are found to violate the laws and/or this Policy. Any employee shall immediately notify the Compliance Department if they know or suspect any persons or transactions involving bribery and corruption. All communications will be treated as confidential.

### 7.3 Gift, Entertainment and Corporate Hospitality

7.3.1 In business, it's common to build goodwill and express appreciation through gifts, entertainment, and hospitality. However, gifts, entertainment, and hospitality must never be used to improperly influence business decisions. Employees should refrain from giving or receiving any gifts which may be perceived to or actually influence a business decision.

7.3.2 When dealing with gifts and entertainment, whether given or received, appropriate gifts must:

- a) Comply with local laws and have legitimate business purpose;
- b) Not be lavish or excessive;
- c) Comply with the Company's Code of Conduct and Conflict of Interest – Gift and Acceptance Process.
- d) Not be solicited. Never ask for gifts, entertainment or favours;
- e) Be avoided if the government official or third party has any pending matters with MCIS Life; and
- f) Be duly reported and documented.

7.3.3 If the gift or entertainment does not meet the above criteria, you should politely decline. However, for customary gifts or where declining the gift might offend the giver or be harmful to the business relationship, accept the gift on behalf of the Company and report the gift accordingly. Handling of the gift will be determined by your Head of Department.

7.3.4 Any gifts and entertainment regardless of any amount, whether or not involving a Government Official/PEP will be required to be properly documented and notified to Human Resource Department via the Gifts Acceptance Disclosure Form for record purpose.

7.3.5 Compliance Team will monitor and review the Gifts Acceptance Disclosure Form and also report to the Management and Board should there be discrepancies on a quarterly basis.

### 7.4 Charitable and Political Contributions

7.4.1 While donations to charitable organizations ordinarily are regarded as good corporate citizenship, those made to organizations in which PEPs, their family members or close associates have a role, such as trustee, cause concerns under anti-corruption laws.

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- 7.4.2 Corporate Social Responsibility (CSR) projects and the use of Sponsorships (collectively “contributions”), are part of our contribution to the wellbeing of the communities and the environment in which we operate. Such contributions, however, can never be promised, offered or made to secure a business advantage or for any other improper purpose such as to bribe or self-enrich.
- 7.4.3 The Company has taken the position that a donation made to a charity associated with a PEP is considered a benefit for that PEP. The Company shall require all employees to obtain the approval of Head of Compliance before making any donation to a charity associated with a PEP.
- 7.4.4 Political parties are associations of PEPs and candidates for public office are potentially PEPs and, therefore, no contributions to political parties or campaigns can be offered or made by or on behalf of the Company. Employees who wish to make personal contributions should be careful to do so in ways that will not give rise to any appearance of impropriety on the part of the Company.

## 7.5 Dealing with Third Parties

- 7.5.1 MCIS Life will never provide, offer or promise bribes through third parties such as agents and / or consultants. The Company will select and assess the third parties from the perspective of anti-bribery compliance before starting business transactions. All agency consulting and similar agreements should contain provisions expressly prohibiting the making of any such payments on behalf of the MCIS Life.
- 7.5.2 When contemplating investment activities, joint ventures, mergers, selecting vendors, hiring interns, trainees and employees, the Company should bear in mind the risks of entering into those types of relationships with PEPs, their family members and/or close associates and will perform appropriate due diligence on the counterparties.
- 7.5.3 Third parties, including joint venture or other business partners, brokers, consultants, or agents of the Company are strictly prohibited from engaging in bribery, being bribed, or other corrupt activity. Third-parties who act improperly on behalf of the Company may expose the Company to liability. Therefore, for every engagement involving a new or renewal contract, employees shall carry out the steps as stipulated in the Standard Operating Procedure on Anti-Bribery and Corruption (SOP).



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## 7.6 Accurate Record Keeping

7.6.1 The Company operations must maintain books, records, and accounts which, in reasonable detail, fairly and accurately reflect the Company's business transactions (including underlying income, expenses, profits, losses and disposition of assets). In addition, the nature and purpose of all payments must be accurately recorded in the Company's books and records in reasonable detail.

7.6.2 All records and reports together with all supporting documentation must be maintained and be readily retrievable for the retention period stipulated by the law or in accordance with the Company's internal rules.

## 7.7 Risk Assessment

7.7.1 Standard business risk assessments will be conducted by Risk Management Department on an annual basis to determine the level of controls necessary for a particular aspect of the Company's operations, including in relation to procurement and tender processes.

7.7.2 Risk assessments should give consideration to:

- a) "country risk", which includes an assessment of the overall risks of corruption and bribery associated with a particular jurisdiction;
- b) "transactional risks", which includes an assessment of the risks associated with a business transaction undertaken by the Company or its associated entities, if any;
- c) "business opportunity risks", which includes the risk that pursuing or obtaining business opportunities may result in acts of bribery or corruption; and
- d) "business partnership risks", which includes risks deriving from relationships with or partnership with other associated entities, if any.

7.7.3 Specific policies and procedures will be adapted and implemented to proportionately address the risks identified above as they arise.

7.7.4 Records and documentation must be kept of each risk assessment as part of the system of internal controls and record keeping.

## 7.8 Due Diligence

7.8.1 The Company will conduct appropriate due diligence prior to engaging the following:

- a) Third parties such as service providers, suppliers or business partners;
- b) Appointment of key positions; and
- c) Medium to high bribery risk for any transactions, projects or activities.

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7.8.2 While the list is not exhaustive, and warning signs will vary by the nature of the transaction, expense/payment request, geographical market or business line, common warning signs that should be considered as part of any due diligence include:

- a) a customer or government official recommends or insists on the use of a certain business partner or service provider;
- b) a service provider, supplier or business partner refuses to agree to anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information;
- c) a service provider or supplier does not have an office, staff or qualifications adequate to perform the required services;
- d) an expense/payment request by a service provider, supplier or business partner is unusual, is not supported by adequate documentation, is unusually large or disproportionate to products to be acquired, does not match the terms of a governing agreement, involves the use of cash or an off-the-books account, is in a jurisdiction outside the country in which services are provided or to be provided, or is in a form not in accordance with local laws.

7.8.3 Records and documentation must be kept of due diligence as part of the system of internal controls and record keeping.

## 7.9 Reporting Requirement Related to Suspected Bribery

7.9.1 The Company depends on its employees to ensure the highest standards of ethical conduct are maintained in all its business dealings. Employees are requested to assist the Company and to remain vigilant in preventing, detecting and reporting Bribery.

7.9.2 It is mandatory for all employees to report any concerns that they may have to Compliance Department as soon as possible. Issues that should be reported include:

- a) Any suspected or actual attempts at bribery.
- b) Concerns that other employees may be receiving bribes from vendors, clients and etc.
- c) Concerns that other employees or associated persons (Third parties, including joint venture or other business partners, brokers, consultants, or agents of the Company) may be bribing third parties, such as clients or government officials.

7.9.3 Employees should make these reports directly to their supervisors. However, if that is not practical or likely to be effective, Employees may report by utilizing the Whistle-blowing Policy.

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## 7.10 Potential Breach, Investigation and Discipline

7.10.1 Actual or perceived violations of anti-bribery and corruption under the MACC Act could cause serious damage to the Company's reputation. Breach of the MACC Act and this policy may also result in severe criminal, civil and regulatory penalties for the Company and Employees, including imprisonment and monetary fines.

7.10.2 Internal Audit Department shall conduct the internal investigation and will report the start of any investigation and the final outcomes to the Audit Committee.

7.10.3 Any employee whose actions are found to violate the law and/or this Policy is subject to disciplinary action, up to and including termination. Violations of the MACC Act and other applicable laws will be reported to appropriate authorities.

## 7.11 Communication and Training

7.11.1 To ensure that all directors, officers, employees, intermediaries, consultants and contractors of MCIS Life are aware of the Policy, a copy of the Policy will be provided to them and they will be advised that the Policy is available on the Company's website for their review. They will be informed whenever significant changes are made. New directors, officers, employees, intermediaries, consultants and contractors of MCIS Life will be provided with a copy of this Policy and will be educated about its importance.

7.11.2 Training on this Policy will form part of the induction process for all new directors, officers, employees and intermediaries of MCIS Life. All existing directors, officers, employees and intermediaries will receive relevant training on how to implement and adhere to this Policy.

7.11.3 MCIS Life's zero-tolerance approach to bribery and corruption must be communicated to all service providers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## 8. **Related Regulations and Legislations**

- BNM Policy on Risk Governance
- BNM Policy on Corporate Governance
- BNM Policy on Operational Risk
- The Malaysian Anti-Corruption Commission Act 2009

## 9. **Frequency of Review**

This Policy shall be reviewed by Compliance Department as and when required.

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