

Anti-Bribery And Anti-Corruption Policy

Policy Statement and Objective

1. Asian Institute of Insurance (“Aii”) upholds the highest standards of professional integrity and ethical conduct and the same is required of every Aii partner, officer, employee and third parties who perform services for or on behalf of Aii.
2. Aii is committed to conducting its business, to the best of our knowledge and belief, in accordance with all applicable laws, rules and regulations and the highest ethical standards.
3. In promoting ethical business practices, Aii is committed to design and institute appropriate policies and procedures to support Aii’s business operations and assist its Employees to understand their obligations in upholding corporate integrity and Aii’s reputation.
4. Aii does not condone any act of bribery and corruption, which are criminal acts in nature as well as indictable offences.
5. The purpose of this Anti-Bribery and Anti-Corruption Policy is to reiterate Aii’s commitment to full compliance by it, and its officers, directors, employees and agents with all laws relating to anti-bribery and anti-corruption in Malaysia, in particular, the Malaysia Anti-Corruption Commission Act 2009. (“MACC Act”) subsequent amendments to the Act and all guidelines issued by relevant authorities pertaining to the same.
6. This Policy aims to ensure that all Employees (defined below) and Associated Persons (defined below) of Aii are aware of their obligation to disclose any corruptions, bribes, conflicts of interest or similar unethical acts that they may have, and to comply with this Policy to follow highest standards of ethical conduct of business.
7. The policy will be updated as the Law and Regulations changes to incorporate the latest standards in anti-bribery and corruption.



Anti-Bribery And Anti-Corruption Policy

Scope

1. The principles and obligations outlined in this policy apply to all employees of Aii, including senior management and to members of our Board of Directors (collectively referred to as “Aii personnel”), and reflects the standards to which Aii expects its business associates, partners, agents, contractors, and consultants to adhere when acting on Aii’s behalf.
2. Aii Personnel shall understand, adopt and adhere to the contents in the Anti-Bribery and Corruption Policy (“ABC Policy”) as well as other procedures referred to herein.
3. All Aii Personnel shall observe the relevant rules and regulation in relation to anti- bribery and corruption that governs business and day-to-day operations of Aii.
4. Although this Policy is specifically written for Aii personnel, Aii expects that all parties engaged by Aii or performing work or services for or on behalf of Aii will comply with it in relevant part when performing such work or services. Employees and such other parties engaged by Aii or performing work or services for or on behalf of Aii shall be known as “Associated Persons”.
5. This policy sets forth Aii’s minimum compliance standards concerning interactions with third parties. However, where local law and regulations require more stringent controls, then such stricter controls must be followed.



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Key Requirements of the MACC Act

The main offences under the MACC Act are:

a) Soliciting or receiving gratification

- any person who solicits or receives or agree to receive (for himself or for any other person) or gives, promises or offers to any person any gratification as an inducement to or a reward for any person doing or forbearing to do anything;
- any person accepts or obtains, or agrees to the same, any gratification as an inducement or reward for doing or forbearing to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business commits an offence;

b) Offering or giving gratification

- any person who gives or agrees to give or offers any gratification to any agent as inducement or reward for doing or forbearing to do, or for having done or forborne to do the same in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business;

c) Intending to deceive

- Any person who gives to an agent, or being an agent he uses with intent to deceive his principal, any receipt, account or other document in respect of which the principal is interested, and which he has reason to believe contains any statement which is false or erroneous or defective in any material particular, and is intended to mislead the principal;

d) Using the office or position for gratification (abuse of position);

e) Failing to report when offered bribery

- Any person to whom any gratification is given, promised or offered in contravention of MACC 2009 shall report the same.

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Key Requirements of the MACC Act

Under Section 17A of the MACC Act, a commercial organization commits an offence if a person associated to the commercial organization corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent:

- to obtain or retain business for the commercial organization; or
- to obtain or retain an advantage in the conduct of business for the commercial organization.

Where an offence is committed by a commercial organization, a person-

- who is its director, controller, officer or partner; or
- who is concerned in the management of its affairs,

at the time of the commission of the offence, is deemed to have committed that offence unless the person proves that the offence was committed without his consent or connivance and that he exercised due diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.

Section 17A (6) defines a person associated as a director, partner, an employee or a person who performs services for or on behalf of the commercial organization.

In relation to anti-bribery and corruption, Aii requires all Associated Persons to:

- Act lawfully, ethically and in the public interest;
- Prohibit bribery and corruption; and
- Not tolerate illegal or unethical behaviour by clients, suppliers or by public officials.

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Definition of Bribery

1. A bribery is the act of “offering, promising, giving, receiving or soliciting of undue advantage/gratification of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), to/from a person in authority, in violation of applicable law, as an inducement or reward for a person to do or not to do an act in relation to the performance of that person’s duties”.
2. This also refers to undertaking the act of corruption.

Fighting Bribery, Corruption and Unethical Practices

1. Solicitation, Bribery and Corruption

All Associated Persons are not permitted to pay, offer, accept or receive a bribe in any form. Associated Persons are strictly NOT allowed to:

- Offer, pay or give anything of value to any parties in order to obtain business or anything of benefit to Aii.
- Act illegally including bribes, blackmail, inducements, secret commissions, other rewards and similar improper actions.
- Attempt to induce any parties to do something illegal, unethical and permit any parties to violate the rules.
- Give some advantage inconsistent with law and wrongful or unlawful use of official position to procure some benefit or personal gain.
- Corruptly give, promise or offer to any person gratification with the intent to secure business or an advantage for Aii.
- Offer, give, receive or solicit, directly or indirectly, anything of value to influence improperly the actions of another party.



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2. Receiving Facilitation Payments

Aii Personnel are prohibited from, directly or indirectly, accepting or obtaining or attempting to accept or obtain or offering or attempting to offer facilitation payments from/to any person for themselves or for any other person subject to this policy.

The term “facilitation payments” generally means payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.

3. Prohibition on Commissions, Discounts and Secret Profits

Aii Personnel must not, directly or indirectly, receive or obtain, in respect of any goods or services purchased or other business transacted (whether or not by them) by or on behalf of Aii, any discount, rebate, commission, service, interest, consideration of value or other benefit or payments of any kind (whether in cash or in kind) which is not authorised by Aii’s policies or procedures.

4. Receiving Gifts, Entertainment, Hospitality and Travel

Aii Personnel are required to comply with the Code of Ethics and Practices (COE) or any other policy and procedures relating to the receipt of gifts and entertainment.

- Offering or receiving any gifts, hospitality and sponsored travel that may be perceived to unfairly influence a business relationship must be strictly avoided at all times. They should only be provided and received where they



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4. Receiving Gifts, Entertainment, Hospitality and Travel

are appropriate, consistent with reasonable business practice, and would not be perceived to have any improper influence on the recipient.

- All Associated Persons should use good judgment in offering or receiving the above-mentioned. In determining whether a specific gift item lies within the bounds of acceptable business practice, Associated Persons are encouraged to discuss the issue with Head of Human Resource (“HR”).
- All Associated Persons must not request, accept, offer or provide gifts or hospitality designed to induce, support or reward improper conduct in connection with any business or anticipated future business involving Aii.
- Associated Persons must never avoid their obligation to report or seek approval for any business gift by paying personally for it in circumstances where they would otherwise be required to report and/or seek approval for it.
- All giving of Gifts, Hospitality and sponsored Travel must get necessary approval from Management and the Company.
- All receipt of Gifts, Hospitality and sponsored Travel must be registered with HR via the specified form within 48 hours of receiving it or as soon as practically possible thereafter. All registration and/or declaration must be made in the Associated Persons’ best interests.
- In addition, when giving and/or receipt of Gifts, Hospitality, sponsored Travel or any other benefit directly or indirectly to or by the Associated Persons, the Associated Persons must make sure that it:
 - is aimed at nothing more than general relationship building;
 - could not be perceived as an attempt to gain influence in respect of any particular matter;
 - is lawful in the country in which made.



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5. Political Contributions, Sponsorships and Donations

- **Political Contributions**

Aii does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.

- **Sponsorships and Donation**

- i. Aii Personnel must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of the COE, including in particular, the prohibition on bribery.
- ii. In accordance with Aii's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:
 - Ensure such contributions are allowed by applicable laws;
 - Obtain all the necessary approval/authorisation;
 - Be made to well-established entities with an adequate organisational structure to guarantee the proper administration of the funds;
 - Be accurately stated in the company's accounting books and records; and
 - Not to be used as a means to cover up an undue payment or bribery.

6. Conflicts of Interest

- Conflicts of interest occurs when an individual or organization is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt, the motivation for an act in another. A conflict of interest may be actual, potential or perceived and may be financial or non-financial.
- It is the responsibility of Aii and all Associated Persons, that any ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to Aii.

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Aii requires all Associated Persons to:

- Avoid any situation or activity that compromises, or may compromise, their judgement or ability to act in the best interest of Aii.
- Avoid being in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of Aii.
- Avoid engaging in activities that will bring direct or indirect profit, commercial or business advantages to the Aii's competitor.
- Avoid acting in ways that may compromise Aii's legality.
- Identify and disclose any conflicts of interest

7. Reporting of a Concern and Whistleblowing

- Recognizing the aforementioned values, Aii provides an avenue for all Aii Personnel, members of the public and stakeholders to disclose any improper conduct within Aii.
- If anyone becomes aware of any actual or suspected breach of this Policy, they must report this to the designated whistleblowing channel via AuditComChairman@aiaasia.org immediately. Aii Personnel are not permitted to ignore, or fail to report, any suggestion of a bribe.
- Proper investigation will be conducted followed by appropriate action taken (if any). The matters which may be reported under the Whistleblowing Policy include (but are not limited to):
 - concerns about bribery and corruption.
 - concerns about any other criminal activity or failure to comply with legal obligations.
 - concerns about any conduct likely to damage Aii's reputation.
 - concerns about possible money laundering or sanctions breaches.
 - the deliberate concealment of any of the above matters.



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Reporting of a Concern and Whistleblowing

- If any of the relevant parties has any doubts or queries with regard to the application of this Policy, the relevant party may also contact the whistleblowing channel via AuditComChairman@aiaasia.org

Record-Keeping

Aii shall keep detailed and accurate financial and other records and shall have appropriate internal controls in place as evidence of all payments made. Aii shall report and keep a record of the amount and reason for gifts, hospitality and entertainment received and given, including donations, sponsorships and expenses of similar nature, and understand that such expenses are subject to management review.

Disclosures

All disclosures of improper conduct within Aii are to be channeled in accordance with the established Aii's Whistleblowing Policy.

Approval

This Policy shall be adhered to at all times by Aii Personnel. Any amendments to the Policy must be concurred by the Board Risk Management Committee (BRMC) and approved by Aii's Board of Directors.

Any deviation or waiver from this policy must be approved either by the Board Risk Management Committee and the Audit Committee or the Board of Directors.

Discipline

- Any employee who violates the terms of this Policy will be subject to disciplinary action.
- Any employee who has direct knowledge of potential violations of this Policy but fails to report such potential violations to Aii's management will be subject to disciplinary action.



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Discipline

- Any employee who misleads or hinders investigators inquiring into potential violations of this Policy will be subject to disciplinary action. In all cases, disciplinary action may include termination of employment.
- Any third party agent who violates the terms of this Policy, who knows of and fails to report to Aii's management potential violations of this Policy, or who misleads investigators making inquiries into potential violations of this Policy, may have their contracts re-evaluated or terminated.
- Any employee or third-party agent with knowledge of potential violations of this Policy shall report the same to the Chief Executive Officer or designate.

Administration of Policy

- Requests for additional guidance or interpretation regarding this Policy can be directed to the Chief Executive Officer or designate.
- Regular assessments of this policy should be carried out to ensure its scope, policies, procedures and controls match the bribery and corruption related risks faced by the Company.
- The Management reserves the right to amend, modify, suspend or terminate this policy at any time, with or without notice.

