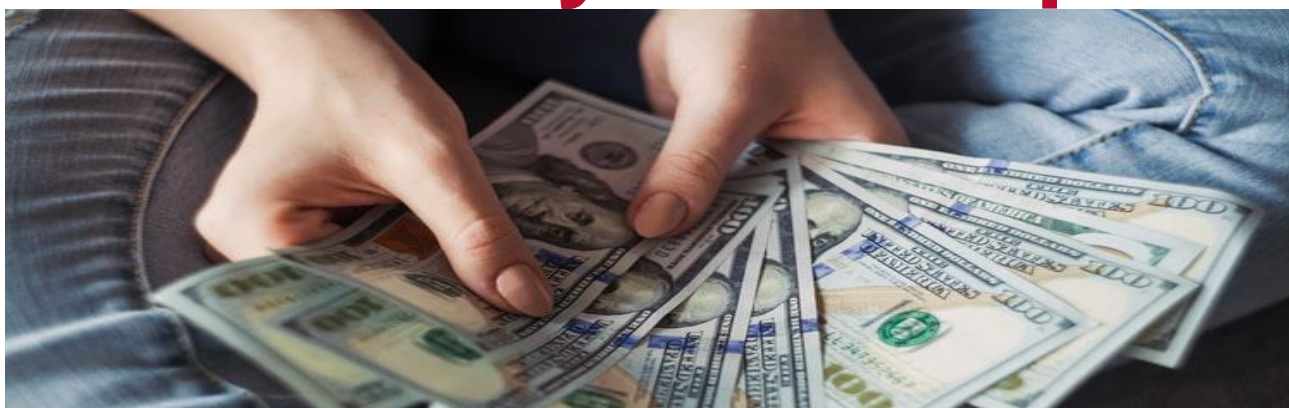


Internal Policy

# Anti-Bribery & Corruption



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## INTRODUCTION

We, at BERJAYA SOMPO INSURANCE BERHAD (**BERJAYA SOMPO**) are committed to conducting our business transparently, honestly and with integrity and in compliance with applicable laws and regulations including the Malaysian Anti-Corruption Commission Act 2009 (**MACCA**).

This Anti-Bribery and Corruption Policy (**Policy**) describes BERJAYA SOMPO's anti-corruption programme to mitigate the risk of corruption in its business. This Policy should be read together with BERJAYA SOMPO's Gifts and Entertainment Policy, Facilitation Payments Policy, Conflict of Interest Policy, and Whistle-blowing Policy and Procedures.

The purpose of this Policy is to:

- (1) set out the responsibilities of BERJAYA SOMPO's directors, employees and business associates in observing and upholding BERJAYA SOMPO's **zero-tolerance approach** to bribery and corruption,
- (2) ensure that BERJAYA SOMPO has adequate procedures in place to prevent and detect bribery and corruption,
- (3) provide information and guidance on how we should recognize and report bribery and corruption issues; and
- (4) protect BERJAYA SOMPO against the possible penalties and repercussions resulting from acts of bribery and corruption.

All directors, employees and business associates are prohibited from requesting or receiving any item of value ("gratification") which might illicitly influence their behaviour in relation to their work with BERJAYA SOMPO. Any violation of the MACCA will subject BERJAYA SOMPO, its directors, employees and business associates to civil and criminal penalties.

All directors, employees and business associates of BERJAYA SOMPO must fully comply with applicable laws and regulations, including the MACCA. In no event shall BERJAYA SOMPO's directors, employees and business associates take any steps to alter BERJAYA SOMPO's operating policies or procedures or to structure transactions in a manner designed to evade, avoid or circumvent the MACCA.

If you have any questions regarding this Policy, please speak to the Compliance department who would be able to help provide advice and guidance to you.

**PLEASE ALWAYS ASK WHENEVER IN DOUBT**

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## 1A. APPLICATION

This Policy applies to the directors, employees, business associates or any other person associated with or acting on behalf of BERJAYA SOMPO.

## 1B. DEFINITIONS

For the purposes of this Policy:

**“bribe”** is an inducement or reward offered, promised or provided in order to gain a commercial, contractual, regulatory or business or personal advantage.

**“business advantage”** means that BERJAYA SOMPO is placed in a better position (financially, economically, or reputationally, or in any other way which is beneficial) either than its competitors or that it would otherwise have been had the bribery or corruption not taken place.

**“corruption”** means offering, giving, receiving or soliciting something of value (“gratification”) in an attempt to illicitly influence the decisions or actions of a person with a position of trust within an organization.

**“employee”** means any person who is in the employment of BERJAYA SOMPO and includes expatriates, secondees, interns and individuals on contract or part-time hire.

**“facilitation payments”** or **“kickbacks”** are illegal payments intended as compensation for favourable treatment, unfair advantage or other improper services.

**“government-linked company”** refers to a corporate entity that may be private or public (listed on a stock exchange) where the government owns an effective controlling interest, or is owned by any corporate entity where the government is a shareholder.

**“government official”** includes all employees, at any level, of a government department or agency. Officers and employees of companies under government ownership or control i.e. government linked companies are also considered “government officials”.

**“third party”** is a person or body that is independent of BERJAYA SOMPO. All business associates are third parties, but not all third parties are business associates.

**“business associate”** is an external party with whom BERJAYA SOMPO has, or plans to establish, some form of business relationship.

Business associates include but are not limited to clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, advisors, agents, distributors, representatives, intermediaries and investors. Business associates also include, but not limited to:

- (1) Professionals such as lawyers, accountants, actuaries, tax advisors and auditors;
- (2) Customer service and general service providers;
- (3) Information technology service and business process providers;
- (4) Claims service providers including claims investigation companies and loss adjusters/surveyors;
- (5) Marketing, advertising and research service providers, such as telemarketing call centres;
- (6) Human resources, recruiters, employment agencies and payroll service providers;
- (7) Business continuity management and business recovery facility providers;
- (8) Intermediaries providing underwriting services;
- (9) Insurance and reinsurance intermediaries (e.g. agents, brokers, bancassurance partners, financial advisers);
- (10) Sponsors;
- (11) Freight forwarders;
- (12) Utility service providers; and
- (13) Other intermediaries.

## PART 2: HOW TO RECOGNISE BRIBERY AND CORRUPTION

### Red Flags

The following is a list of red flags that may arise during the course of your work or business and which may raise concerns:

- ✎ Special treatment to certain business associates, in comparison to others (e.g. fast settlement or payments, relaxed timelines or poor-quality service not reprimanded);
- ✎ Continuous awarding of contracts to selected business associates;
- ✎ Frequent entertainment, meals or drinks with selected business associates;
- ✎ Lifestyle of employee does not commensurate with the position (e.g. expensive watches, cars);
- ✎ Admission of business associates into panel without proper approval or supporting documents; or
- ✎ Invitation to seminars or conference cum holidays, held by certain business associates.

If you encounter any of these red flags or any other suspicious behaviour, you must immediately report them to the Compliance department or via the reporting procedures under the Whistleblowing Policy and Procedures.

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### PART 3: DOS AND DON'TS

In addition to the guidance below, you may find it helpful to consider the following questions before you give or offer something in the course of your work or business dealings with third parties:

- (1) Am I doing this to try to improperly influence a decision someone is going to make?
- (2) Do I feel that I cannot openly record this in BERJAYA SOMPO's books and records?
- (3) Does the person whom I am giving or offering this to want it to be kept a secret?
- (4) If this became public information, could it harm the reputation of BERJAYA SOMPO?
- (5) If the other person accepts this, will they feel obligated to do something in return?
- (6) Is this against the law?

#### ✓ DOs

- ✓ **Watch out for red flags**
- ✓ **Conduct due diligence on all business associates**
- ✓ **Report any red flags or suspicious activity immediately**
- ✓ **Contact the Compliance department if you have any queries**

#### ✗ DONT's

- ✗ **Do not make payment to third parties or authorize expenses, offer gifts or anything of value for any purpose without all required approvals**
- ✗ **Do not engage in any activity that might lead to, or suggest, a breach of this Policy**
- ✗ **Do not make facilitation payments to speed up the performance of a function by a government official or third-party**
- ✗ **Do not falsify BERJAYA SOMPO's books and records for the purpose of bribery or hiding a bribery**

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**4A. WHAT IS CORRUPTION?**

- (1) According to the MACCA, “corruption” means offering, giving, receiving or soliciting something of value (“gratification”) in an attempt to illicitly influence the decisions or actions of a person with a position of trust within an organization.
- (2) Corruption may occur in two forms: “outbound” and “inbound”.
- (3) Corruption may be “outbound”, where someone acting on behalf of BERJAYA SOMPO attempts to influence the actions of someone external, such as a government official or client decision-maker. For example, an employee offers bribe for a project to the relevant authorities in a tender exercise.
- (4) It may also be “inbound”, where a third party is attempting to influence someone within BERJAYA SOMPO such as a senior decision-maker or someone with access to confidential information. An example would be a situation where a contractor offers a bribe to an employee who is a part of the procurement process to gain an advantage in securing a contract.
- (5) The corrupt use of a gratification may include cash or cash equivalents (vouchers, coupons, shares, etc.), loans, donations, hospitality (meals, entertainment, travel, accommodation, recreational activities, etc.), offers of employment, goods, services, release of confidential information or anything that could be considered to have value, provided illicitly in the expectation that the giver will receive something of value in return.

**4B. COMMITMENT TO ANTI-CORRUPTION**

- (1) BERJAYA SOMPO’s policy is that corruption in all forms as it relates to BERJAYA SOMPO’s activities is prohibited.
- (2) Neither yourself as a director or an employee, nor any business associate acting in relation to BERJAYA SOMPO shall directly or indirectly, offer, 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 organization, either for the intended benefit of BERJAYA SOMPO or the persons involved in the transaction.
- (3) This Policy applies equally to its business dealings with commercial (‘private sector’) and government (‘public sector’) entities. Even the possible appearance of corruption is to be avoided, in particular when dealing with government officials.
- (4) BERJAYA SOMPO is committed to conducting its business ethically and in compliance with all applicable anti-corruption laws and regulations. This Policy therefore applies to all countries worldwide where we do business without exception. These laws include but are not limited to Malaysia Penal Code (revised 1977) and its amendments, the MACCA and its amendments, Whistleblower Protection Act 2010, the Companies Act 2016, the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act 2010.
- (5) BERJAYA SOMPO shall conduct risk assessments at minimum once every 3 years, unless otherwise required, to identify the corruption risks affecting the business, set anti-corruption objectives, and assess the effectiveness of the controls in achieving those objectives.
- (6) You will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes, or participate in other illicit behaviour, even if such refusal may result in BERJAYA SOMPO losing business or experiencing a delay in operations.

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#### **4C. RESPONSIBILITIES OF DIRECTORS AND EMPLOYEES**

- (1) You are required to carry out your responsibilities and obligations relating to BERJAYA SOMPO's Anti-Bribery and Corruption Policy. These include the following:
    - (a) be familiar and understand the applicable requirements and directives of this Policy;
    - (b) ask the Compliance department if you have any questions about this Policy or if there is lack of clarity about the required action in a particular situation;
    - (c) always raise suspicious transactions and other 'red flags' (indicators of corruption) to immediate superiors or the Compliance department directly for guidance on the next course of action;
    - (d) be alert to indications or evidence of possible violations of this Policy;
    - (e) sign a personal integrity and conflict of interest declaration annually. Declaration of any actual or potential conflicts of interest should also be done as soon as you become aware of them;
    - (f) promptly report violations or suspected violations through appropriate channels;
    - (g) attend training on anti-corruption as required; and
    - (h) not misuse your position or BERJAYA SOMPO's name for personal advantage.
  - (2) When dealing with business associates, you shall not:
    - (a) give unexplained or unjustifiable preference for certain parties;
    - (b) exert improper influence to obtain benefits from them; and
    - (c) directly or indirectly demand or accept any form of corrupt payments from them, in cash or in kind, for a specific favour or improper advantage.
  - (3) When dealing with third parties in a position to make a decision to BERJAYA SOMPO's benefit, you shall not:
    - (a) offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offering or making a promise of corrupt payments, in cash or in kind;
    - (b) be involved in any illicit discussions where corrupt intent is involved regarding business or employment opportunities, to secure an advantage in business; and
    - (c) otherwise misuse the resources, decision-making authority and other delegated powers given by BERJAYA SOMPO, in order to illicitly secure an outcome which would be to the commercial advantage to yourself and/or BERJAYA SOMPO where corrupt intent is involved.
  - (4) BERJAYA SOMPO's Head of Departments are responsible for ensuring that this Policy is properly communicated, including via training and complied with within their department or function. The Head of Departments are required to communicate BERJAYA SOMPO's position on anti-corruption to the business associates and third parties they liaise with.
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#### **4D. RESPONSIBILITIES PERTAINING TO BUSINESS ASSOCIATES**

- (1) All business associates including suppliers, vendors, contractors, consultants and agents acting on behalf of BERJAYA SOMPO are required to comply with this Policy.
  - (2) Due diligence should be carried out on all new or potential business associates intending to act on BERJAYA SOMPO's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with BERJAYA SOMPO.
  - (3) BERJAYA SOMPO shall include standard clauses in all contracts with business associate enabling BERJAYA SOMPO to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for business associates acting on BERJAYA SOMPO's behalf where a corruption risk has been identified.
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#### 4E. INTEGRITY DECLARATIONS

- (1) Upon joining and thereafter annually, all employees shall confirm in writing that they have read, understood and will abide by the Anti-Bribery and Corruption Policy by signing a personal integrity and conflict of interest declaration. A copy of this declaration shall be documented and retained by Human Resource for the duration of the employee's employment. The Company Secretary shall also document a copy of this declaration during the directors' appointment.
  - (2) Internal Audit and/or the Compliance department reserves the right to request information regarding an employee's assets in the event that the said employee is implicated in any corruption-related accusation or incident.
  - (3) Business associates shall sign the Anti-Bribery & Anti-Corruption Declaration during awarding stage and together with the agreement.
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#### 4F. HUMAN RESOURCE

- (1) BERJAYA SOMPO recognizes the value of integrity in its directors, employees and business associates.
  - (2) BERJAYA SOMPO's recruitment, training, performance evaluation, remuneration, recognition and promotion for all employee, including management, shall be intended to recognize integrity.
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#### 4G. CONFLICT OF INTEREST

- (1) All directors and employees shall take steps to understand and avoid conflict of interest where possible. All directors and employees are to declare them annually as well as if there are any actual or potential conflict of interest arise.
  - (2) Business associates shall declare conflicts of interest during the awarding stage and if there are any actual or potential conflicts that arise during the course of a contract.
  - (3) Refer to the Conflict of Interest Policy for full details.
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#### 4H. GIFTS, ENTERTAINMENT, HOSPITALITY AND TRAVEL

- (1) You may offer and/or accept gifts and entertainment, provided always that it complies with the considerations set out under BERJAYA SOMPO's criteria for giving and receiving gifts and entertainment.
  - (2) Refer to the Gifts and Entertainment Policy for full details.
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#### 4I. DONATIONS AND SPONSORSHIPS

- (1) Donations and sponsorships are allowed if they are requested for legitimate reasons, permitted by the laws and regulations of Malaysia and in accordance with the Gifts and Entertainment Policy.
  - (2) Refer to the Gifts and Entertainment Policy for full details.
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#### 4J. FACILITATION PAYMENTS

- (1) BERJAYA SOMPO has a policy to not make facilitation payments for any reason or to any party. If you are forced to make a facilitation payment, you are to report and discuss the matter with your Head of Department and/or respective Executive Committee (**EXCO**) member as soon as possible. Risk Management, Compliance, Legal and Internal Audit departments may be consulted and engaged to advice.
  - (2) Refer to the Facilitation Payments Policy for full details.
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#### 4K. REPORTING CHANNEL

(1) If you are aware of or suspect a violation of applicable laws, rules or regulations or this Policy, you must immediately report your concerns using the Whistle-blower Form and the available reporting channels. Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner without incurring fear of reprisal regardless of the outcome of any investigation.

(2) Reporting channels:

Whistle Blowing Committee  
Berjaya Sompo Insurance Berhad  
Level 36, Menara Bangkok Bank,  
105, Jalan Ampang,  
50450 Kuala Lumpur.

Email to [whistleblowing@bsompo.com.my](mailto:whistleblowing@bsompo.com.my)

(3) Retaliation in any form against an employee where the person has reported a violation or possible violation of applicable laws, rules or regulations, Code of Conduct and Ethics or this Policy is strictly prohibited. Any employee found to have deliberately acted against the interests of any person who has reported a violation or possible violation in good faith shall be subjected to disciplinary proceedings including demotion, suspension, termination or other actions (including legal action) which BERJAYA SOMPO may pursue. The same policy applies to business associates who have reported a violation or possible violation of applicable laws, rules or regulations or this Policy.

(4) Malicious or false allegations by an employee shall be viewed as a serious matter and may result in disciplinary action.

(5) Refer to the Whistle-blowing Policy and Procedures for full details.

*No employee will be subject to retaliation because of a good faith report of a suspected breach of this Policy or other illegal or unethical conduct.*

#### 4L. RECORD KEEPING

(1) All departments and business units must keep financial records and have appropriate internal controls in place, which evidence the business reason for making payments to business associates. Compensation paid to business associates must be appropriate and justifiable and for the purpose of legitimate services rendered.

(2) All accounts, invoices and records of BERJAYA SOMPO relating to dealings with business associates should be prepared and maintained with strict accuracy and completeness. No accounts of BERJAYA SOMPO should be kept "off-book" to facilitate or conceal improper payments.

(3) Business associates are also required to keep proper books and records available for inspection by BERJAYA SOMPO, its auditors and/or regulatory authorities.

(4) Refer to the Document Control Procedure and the Records Management Standard Operating Procedure for full details.

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## PART 5: AUDITING, MONITORING AND CONTINUOUS IMPROVEMENT

- (1) BERJAYA SOMPO conducts regular audits and reviews to assess the performance, efficiency and effectiveness of the anti-corruption programme, and to ensure that the programme is enforced. Such audits may be conducted internally by BERJAYA SOMPO or by a third party. Audit documentation shall include opportunities to improve the programme.
- (2) BERJAYA SOMPO is committed to continuously improve the operations and effectiveness of the anti-corruption programme. BERJAYA SOMPO shall monitor its operations and environment, identify changes in corruption risk, and seek opportunities for improving the anti-corruption programme to mitigate the level of risk identified. Any ideas on how to improve the anti-corruption programme should be channeled to the Compliance department.
- (3) BERJAYA SOMPO monitors the performance of its employees and business associates in relation to integrity to ensure understanding and compliance with BERJAYA SOMPO's position on anti-corruption.
- (4) BERJAYA SOMPO shall conduct an assessment of the anti-corruption programme at least once every 3 years to ensure its scope, policies, procedures and controls are suitable to mitigate the corruption risks identified.
- (5) The results of audits and assessments, including any evaluations of the anti-corruption programme and opportunities for improvement, shall be reported to the Risk Management Committee and the Risk Management Working Committee as appropriate to the subject-matter. Relevant person(s) in BERJAYA SOMPO who may take an interest in the anti-corruption programme shall also be informed of the audit results directly by the person and/or department responsible for the audits and assessments. .

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## PART 6: SANCTIONS FOR ACTS OF CORRUPTION

- (1) BERJAYA SOMPO regards corruption as a matter of serious misconduct and will apply disciplinary actions in the event of acts of corruption being identified, up to and including termination of employment, as per BERJAYA SOMPO's employment policies.
- (2) For business associates, acts of corruption may lead to penalties including termination of contract.
- (3) Further legal action may also be taken in the event that BERJAYA SOMPO's interests have been harmed by the results of acts of corruption by individuals and organizations.

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## PART 7: POLICY REVIEW

- (1) BERJAYA SOMPO must monitor the performance of employees in relation to this Policy to ensure their understanding and adherence to BERJAYA SOMPO's **zero-tolerance approach** to bribery and corruption.
- (2) The Board will monitor compliance with this Policy and will review this Policy regularly to ensure that it continues to remain relevant and appropriate.

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## PART 8: COMMUNICATION AND TRAINING

- (1) This Policy is made publicly available and is also communicated to all directors, employees and business associates. The communication of this Policy includes messages on BERJAYA SOMPO's intranet or website, emails, newsletters, posters and town-hall sessions.
- (2) Senior management should provide all directors, employees and wherever possible business associates with adequate training to ensure their thorough understanding of BERJAYA SOMPO's anti-corruption position, especially in relation to their role within or outside BERJAYA SOMPO.
- (3) Training on this Policy forms part of BERJAYA SOMPO's induction process for all new employees. Human Resource should ensure that all existing employees receive regular and relevant training on this Policy.
- (4) Senior management should ensure that BERJAYA SOMPO's zero-tolerance approach to bribery and corruption is communicated to all business associates at the outset of our business relationship with them and as appropriate thereafter.

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## DOCUMENT HISTORY

Version	Approved Date	Type of Change	Changes Made By	Brief Description of Change
1.0	16 Jan 2020	New	NA	NA
2.0	27 Jan 2021	Revised	Compliance	<p>(1) Deletion of Part 2: Roles and Responsibilities section.</p> <p>(2) Part 3: How to Recognise Bribery and Corruption changed to Part 2.</p> <p>(3) Part 4: Do's and Don'ts changed to Part 3.</p> <p>(4) Part 5: Adequate Procedures and Control Measures changed to Part 4: Anti-Bribery and Corruption Policy.</p> <p>(5) Addition and deletion of subsection in Part 4: Anti-Bribery and Corruption Policy</p> <p>(a) Addition:</p> <ul style="list-style-type: none"> <li>(i) 4A. What is Corruption</li> <li>(ii) 4B. Commitment to Anti-Corruption</li> <li>(iii) 4C. Responsibilities of directors and employees</li> <li>(iv) 4D. Responsibilities Pertaining to Business Associates</li> <li>(v) 4E. Integrity Declarations</li> <li>(vi) 4F. Human Resource</li> <li>(vii) 4G. Conflict of Interest</li> <li>(viii) 4H. Gifts, Entertainment, Hospitality and Travel</li> <li>(ix) 4I. Donations and Sponsorships</li> <li>(x) 4J. Facilitation Payments</li> <li>(xi) 4K. Reporting Channel – Moved and amended from previous Part 6: How to Report a Concern</li> </ul> <p>(b) Deletion:</p> <ul style="list-style-type: none"> <li>(i) 5A. Risk Assessment</li> <li>(ii) 5B. Due Diligence</li> <li>(iii) 5C. Written Contracts</li> <li>(iv) 5D. Financial Controls and Non-Financial Controls</li> </ul> <p>(6) Addition of Part 5: Auditing, Monitoring and Continuous Improvement and deletion of previous Part 7: Monitoring and Review.</p> <p>(7) Addition of Part 6: Sanctions for Acts of Corruption.</p> <p>(8) Deletion of Appendix 1: Due Diligence</p>

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