

MNRB GROUP ANTI-BRIBERY AND CORRUPTION POLICY

1.0 INTRODUCTION

In promoting ethical business practices, the Group is committed to establish and implement policies and procedures across the Group to support its business operations and assist its associated persons to understand their obligations in upholding the Group's corporate integrity and reputation.

The Group has adopted a zero tolerance approach against all forms of bribery and corruption. The Group's Code of Conduct ("CoC") sets out the Group's core principles in this regard. The Group is committed to conduct its business in accordance with all applicable laws, rules and regulations at the highest ethical standards.

2.0 OBJECTIVE

The purpose of this Policy is to emphasize the Group's commitment to fully comply with the Malaysian Anti-Corruption Commission (MACC) Act, 2009 and other requirements relevant to countering bribery and corruption. It is imperative that the Group is recognized as an entity that does not tolerate bribery and corruption involving the associated persons.

This Policy has been approved by the Board of Directors and may be reviewed as and when applicable taking into account the changes in the operating and regulatory landscapes.

3.0 APPLICABILITY

This Policy is intended to apply to all associated persons.

Although the Policy is specifically written for the Group's employees, directors and GSC members, the Group requires partners, intermediaries, consultants, agents, representatives and others performing work or services for or on behalf of the Group to comply with it when performing such work or services.

For purposes of this Policy, references to directors shall include GSC members.

Every employee and director shall declare his/her commitment towards fighting bribery and corruption on annual basis.

4.0 WHAT IS BRIBERY AND CORRUPTION

Bribery is defined as an act of offering, giving, agreeing to give, receiving or soliciting something of monetary or non-monetary value in an attempt to illicitly influence the decisions or actions of a person in a position of trust within an organization.

The act of Bribery shall also include improperly influencing an individual or entity under the Company in any way to gain or appear to gain a benefit from any transactions entered by the Company. This includes directly or indirectly (through a third party) offering or accepting anything either in monetary and non- monetary value to:

- influence any external party or entity to engage in an act, omission, or decision in the performance of some official, public, or business-related function; or

- secure advantage in order to obtain, retain, or renew such business or to obtain personal advantages.

The gratification in monetary or non-monetary form shall include as follows:

- a) money, donation, gift, loan, fee, reward, vouchers, property movable or immovable, financial benefit, or any other similar advantage such as flight tickets, accommodations, membership subscription to clubs;
- b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) any payment, release, discharge or any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- e) any forbearance to demand any money or money's worth or valuable item;
- f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

Corruption is an act of Bribery that involves the abuse of position or power to gain an improper personal or business advantage, and any acts which would be considered as an offence of giving or receiving 'gratification' under the MACC Act 2009 and shall not be limited to acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

When considering whether something falls under this Policy's definition of Bribery and Corruption, the following questions should be asked:

Has anything of monetary or non-monetary value been offered to or by an external party:

- *to influence a decision; or*
- *to improperly obtain any advantage on behalf of the Company; or*
- *to improperly influence the performance of the associated persons?*

5.0 GROUP ANTI-BRIBERY & CORRUPTION POLICY STATEMENT

The Board and Management are committed to implementing and enforcing effective and robust policies and procedures to prevent, monitor and eliminate bribery and corruption. The Group Integrity & Governance Unit (GIGU) is assigned with the responsibility and authority to oversee the implementation of the Group Integrity program, with direct access to the Board and Management for issues relating to bribery and corruption.

Associated Persons are strictly prohibited from directly or indirectly soliciting, accepting or offering bribes in relation to the Group's businesses and operations.

The Group provides an avenue for all employees and members of the public to disclose any improper conduct within the Group, which is governed by the Group's Whistleblowing Policy.

6.0 GIFT, ENTERTAINMENT & CORPORATE HOSPITALITY

6.1. “No Gift” Policy

The Group has adopted a “No Gift” Policy whereby, subject only to certain narrow exceptions, associated persons are prohibited from, directly or indirectly, receiving or providing gifts.

The Group requires its associated persons to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealing between the Group and external parties as a gift can be seen as a bribe that may tarnish the Group’s reputation or be in violation of anti-bribery and corruption laws.

As set out in the Group CoC, a conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in the Group for his or her personal benefit, including the benefit of his or her family/household and friends. This would undermine the duties of good faith, fidelity diligence and integrity as expected by the Group from its associated persons in the performance of their duties and obligations.

It is the responsibility of the associated persons to inform external parties involved in any business dealings with the Group that the Group practices a “No Gift” Policy and requires the external party’s to understanding and adhere to this Policy.

6.1.1. Receiving Gift

Under no circumstances may any of the associated person accept gifts in the form of monetary or non-monetary equivalent.

6.1.2. Providing Gift

Generally, employees are not allowed to provide gifts to third parties except with the approval from the GCEO or CEO. Pls refer to Anti-Bribery and Corruption Standard Operating Procedures for the detailed procedures.

6.1.3. Exceptions to the “No Gift” Policy

The Group is aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging the Group’s “No Gift” Policy, some external parties may still insist in providing gifts to the Group’s employees and directors and/or their family members in certain situations which do not fall within the general exceptions.

In such circumstances, the acceptance of the gift is allowed in order not to seriously offend or sever the Company’s business relationship with the giver.

Under the above circumstances, the employee is expected to immediately inform the Group Integrity & Governance Unit (“GIGU”) and record the gift in the Gift Register provided by GIGU for submission to the respective Head of Department / Division who will then decide whether to approve the acceptance of the gift or require it to be returned.

If gifts are offered to the directors, they should then inform the Company Secretary, as soon as reasonably practicable, to seek his / her advice when faced with a similar situation. As for GSC members, they should inform the Shariah Secretariat for advice.

In the event the Head of Department / Division / Company Secretary / Shariah Secretariat approves the acceptance of the gift, he / she must also determine the treatment of the gift i.e. whether to:

- a) Donate the gift to charity; or
- b) Hold it for departmental display; or
- c) Share among the employees in the department; or
- d) Permit it to be retained by the employee.

In determining the above, Heads of Department / Division / Company Secretary / Shariah Secretariat are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position / seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms.

Nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the third party that gave the gift is one of the bidders) then clearly the Head of Department / Division cannot approve the acceptance of said gift. In this situation, the gift must be politely returned with a note of explanation about the Group's "No Gift" Policy.

Other exceptions to the general rule whereby the receiving and providing gifts are permitted are as follows:

- a) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit / courtesy call and thereafter said gift is treated as company property);
- b) Gifts from the Group or Company to external institutions or individuals in relation to the official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event and honorarium);
- c) Gifts from the Group or Company to former employees and directors and / or their family members in relation to an internal or externally recognised Group or Company's function, event, family day and celebration (e.g. in recognition of an employee's / director's service to the Company);
- d) Token gifts of nominal value normally bearing Group logo (e.g. pens, diaries, calendars and other small promotional items) that are given out equally to agents, public, delegates, customers, partners and key stakeholders attending events such as conferences, training, etc., and deemed as part of Group brand building or promotional activities;
- e) Gifts to external parties who have no business dealings with the Group or Company (e.g. monetary gifts or gifts in-kind to charitable organisations for charitable purposes);
- f) Lucky draws during Corporate Hospitality Event (refer item 6.3); and
- g) Gifts for shareholders, invitees, advisors during General Meetings

Even in the above exceptional circumstances, employees are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles as below:

- a) Conscientiously maintain the highest degree of integrity;
- b) Always exercise proper care and judgment;
- c) Avoid conflicts of interest;
- d) Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of the Company;
- e) Comply with applicable laws, regulations and the Group's or Company's policies and procedures; and
- f) Obtain approval from GCEO / CEO.

6.2. Entertainment

6.2.1. Providing Entertainment

The Group recognises that providing modest entertainment is a legitimate way of building business relationships and as such, a common practice within the business environment to foster good business relationship with external clients. As such, associated persons are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

Associated persons must bear in mind that this is an area where perception is often regarded as more important than facts and therefore always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with anti-bribery and corruption laws.

The associated persons are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to the general values and principles of the CoC.

The employees are required to comply with the policies and procedures, and maintain expenses within the limits of its entitlement, when carrying out entertainment activities.

6.2.2. Receiving Entertainment

The Group also recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.

However, it is important for employees and directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the Company and Group's reputation, but also to protect employees and directors from allegations of impropriety or undue influence.

In no event, however, may an employee or a director or any of their family members accept entertainment in exchange for an exercise or non-exercise of authority or otherwise to the detriment of the Group or Company.

6.3. Corporate Hospitality

Corporate hospitality is generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”. Third parties may include agents, customers, contractors, external companies and any other stakeholders with whom a business relationship, whether potential, current or historical, exists.

Corporate events and activities include but are not limited to sporting events, dinners or activity-based events such as golf tournaments, trainings, seminars or off-site meetings.

Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is legitimate against illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.

Corporate hospitality would be deemed as Bribery in the following situations:

- a) If the intention is to obtain or retain business;
- b) If the intention is to obtain or retain an advantage in the conduct of business;
- c) If it provides an advantage to another person if offered; or
- d) If it is given with the intention of inducing the person to perform a relevant function improperly; or
- e) If there is knowledge that acceptance of the advantage would in itself be improper performance.

Transparency International Malaysia has advocated corporate hospitality arrangements / activities should conform to the following basic principles:

- a) Transparency, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
- b) Proportionality, i.e. the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient’s official capacity and not provided in his / her personal capacity;
- c) Reasonableness in ensuring that the corporate hospitality is not lavish; and
- d) Bona fide, where the intention to offer and / or provide the corporate hospitality is done with good and legal intentions.

6.3.1. Receiving Corporate Hospitality

The Group strictly prohibit any associated person from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision, particularly from parties engaged in a tender or competitive bidding exercise (e.g. contractors, vendors, suppliers etc.).

Notwithstanding the above, the Group recognises that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for the associated persons to exercise proper care and judgement before accepting the hospitality. This is not only to safeguard the Group’s reputation, but also to protect associated persons from allegations of impropriety or undue influence.

If there is any doubt on the appropriateness of a corporate hospitality offered by an external party e.g. a contractor or supplier, associated persons should decline the offer accordingly.

6.3.2. Providing Corporate Hospitality

The Group recognises that providing corporate hospitality to its stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.

The Group or Company may issue complimentary invitations in the form of invitations to third parties for events organized or sponsored by the Group or Company as well as events organised or sponsored by external organisations.

All corporate hospitality events shall be processed with transparency and in accordance with the internal guidelines. The following are some of the examples of providing corporate hospitality:

- a) MNRB Group Hari Raya Open House;
- b) Events sponsored by Malaysian Reinsurance Berhad e.g. invitation to the annual golf tournament and CEO Programme;
- c) Events organised by Takaful Ikhlas e.g. invitations to the annual Agency Award Night.

While providing corporate hospitality is a reflection of courtesy and goodwill, the respective Heads of Department / Division must exercise proper care to protect the Group's reputation against any allegations of impropriety or the perception of Bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide expenditures.

There should also be explicit, clear and transparent criteria to determine the selection of guests to be invited to a corporate hospitality event. Reasonable due diligence should be exercised, particularly when the arrangements involve Public Officials.

There are various local and international anti-bribery and corruption laws that impose strict restrictions on the value and level of entertainment and corporate hospitality to be accorded to third parties, particularly when it is offered to the Public Officials. This must be observed and adhered to at all times by respective employees and directors. Employees and directors should be aware of the respective third party's policies on receiving corporate hospitality.

The Group is committed to comply with anti-bribery and corruption laws governing the provision of corporate hospitality to third parties, especially when it involves public officials. Therefore, the Group shall undertake the following:

- a) to publicise and make clear the Group's policy on providing and receiving corporate hospitality; and
- b) to obtain all necessary approvals for the corporate hospitality events in accordance with the LOFA.

7.0 DEALING WITH PUBLIC OFFICIALS

The same rules would apply for public officials in regard to providing gift, entertainment or corporate hospitality.

If approval is obtained to provide gift, entertainment or corporate hospitality to public officials, employees must ensure that the gift including honorarium, entertainment or corporate hospitality commensurate with the official designation of the public official and not his personal capacity. Associated persons must also be aware of local laws governing the activity and to ensure compliance. Employees should seek guidance from GIGU prior to providing any gift including honorarium, entertainment or corporate hospitality to Public Officials.

8.0 CORPORATE SOCIAL RESPONSIBILITY, SPONSORSHIPS AND DONATIONS

As a responsible corporate citizen, the Group is committed to contributing to the wellbeing of the people and the country. It is, however, important that all Corporate Social Responsibility (“CSR”), sponsorships and donations are made in accordance with the Group policies and receive prior approval based on LOFA.

All CSR, sponsorships and donations must comply with the following:

- a) obtain all the necessary internal and external approval;
- b) be made to legitimate entities having an adequate organisational structure to guarantee proper administration of the funds; and
- c) be accurately stated in the Company’s accounting books and records.

The Group requires its employees to use good judgment and common sense in assessing the requests. When in doubt, employees should seek further advice from GIGU to determine the authenticity of such requests.

8.1. Due Diligence Checklist

Before making a commitment to a CSR activity, sponsorship or donation requested by external stakeholders, respective Head of Department / Division must first conduct proper due diligence to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing the funds.

The request is evaluated against the Group’s guidelines on CSR, Sponsorships and Donations and meets the following criteria:

- The request does not fall under the list of activities which the Group does not support or contribute to;
- There is no risk of a perceived improper advantage for the Company or Group;
- The proposed recipient is a legitimate organisation and proper due diligence are made (background checks); and
- The proposed recipient / organisation does not have affiliations with a public official.

If the request meets the above requirements and it is reasonably ascertained to be legitimate in nature, Head of Department / Division can proceed to prepare a recommendation / memorandum seeking approval as per the LOFA and relevant guidelines.

The Group shall not commit to any CSR activity, sponsorship or donation if the request comes from a high risk country (countries perceived to have high levels of corruption), or the proposed beneficiary is based in a high risk country, or the activity takes place in a high risk country or the proposed recipient is government owned or if a government official or their relative is involved.

8.2. Education Sponsorships

MNRB has a scholarship programme with the objective to provide educational opportunities to deserving students to enable them to realize their potential and to contribute to the growth of the Group. The awarding of scholarships should be based on strict guidelines and due diligence to ensure that only the most qualified and deserving students receive the scholarship award. This is crucial to ensure that no element of corruption is involved in the giving out of scholarships.

The selection of sponsorship recipients should be based on approved criteria such as academic qualifications and assessment results. The process of selection should be transparent and the reasons for selection should be properly recorded. The selected recipients should be approved accordingly by the Board of Trustees.

9.0 FACILITATION PAYMENTS

9.1 Making facilitation payment

Facilitation payment is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. The Group strictly prohibits:

- Offering, promising or requesting facilitation payments; and
- Accepting or obtaining either directly or indirectly, facilitation payments from any person for the benefit of the Associated Persons.

Facilitation payments need not involve cash or other financial asset; it can be in any sort of advantage.

10.0 DEALING WITH THIRD PARTIES

10.1 Third Party Engagements

For every engagement involving third parties which includes but not limited to existing and potential customers, contractors, suppliers, vendors, consultants, advisers and advisors, it must be carried out in compliance with all relevant laws and consistent with this Policy. The Company expects that all the third parties acting for and on behalf of the Company to adhere to this Policy and strictly prohibited from engaging in bribery or other corrupt activities as their conducts and actions may implicate and tarnish the Company's reputation.

Therefore, the Company is obligated to conduct appropriate counterparty due diligence to understand the business and background of the prospective business counterparties before entering into any arrangements.

To ensure the Company does business with third parties that share the Group standards of integrity, the Company must do the following:

- Conduct due diligence to assess the integrity of the third party's business;
- Do not enter into any business dealings with any third party reasonably suspected of engaging in Bribery or Corruption; and
- To periodically monitor third party performance and business practices to ensure on-going compliance.

The due diligence can be done via background checking via the internet as well as screening via the WorldCheck system.

If at any point during the due diligence exercise or in the dealing with a third party, there are conflicts of interest or “red flags” are raised, these “red flags” must be investigated and addressed before the engagement of third party can proceed. Amongst the “red flags” are as follows:

- The transaction involves a country known for a high incidence of corrupt payment (refer Appendix 5 of the Group Operational Risk Management Framework);
- Family, business or other “special” ties with government or public officials;
- A reference check reveals a flawed background or reputation for getting things done regardless of the circumstances or suggest that for a certain amount of money, the third party can fix the problem;
- Convoluting payment arrangements such as payment in cash, payment to a third party or to account in other countries or requests for upfront payment for expenses or other fees;
- The third party requests for his / her identity not to be disclosed; or
- Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.

Any “red flags” identified should be communicated to GIGU for further investigation. GIGU shall advise accordingly based on the investigation, and if all the “red flags” are sufficiently being addressed with action plan, the Company may proceed with the relationship.

It is of the utmost importance for employees to use good judgement and common sense in assessing the integrity and ethical business practices of the third parties.

10.2 Joint Venture Partner

A joint venture (“JV”) is a business undertaking by a Company and one or more partners engaged in a single defined project. A JV Partner can be liable for anti-corruption violations, if they knew or should know of the illegal acts of the other partner.

To minimize the risk of liability, the Company should:

- a) conduct enhance due diligence of prospective joint venture partners before agreeing to participate in a JV; and
- b) include anti-corruption contractual provisions in all third party agreements, including JV agreement.

Where the Company does not have management control, the Company will use good faith efforts to cause the adoption, implementation, and enforcement of suitable anti-corruption policies, to the extent practicable. The Company should also:

- a) make reasonable efforts to influence the JV Partner to adopt the Anti-Bribery and Corruption Policy or substantially equivalent standards and principles; and
- b) be alert to warning signs which may arise in the conduct of the business. Any such warning signs must be reported to the GIGU for appropriate action to be taken.

11.0 RECRUITMENT OF EMPLOYEES

The Group provides equal opportunity for any qualified and competent individual to be employed by the Group from various background, sourced from both MNRB sponsorship programme and externally.

The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.

In line with this, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision making obligations.

Any potential conflict of interest during the recruitment process should be declared accordingly to Group Human Capital Management. Proper approval process should be adhered to, aligned with the internal recruitment policies and procedures.

12.0 AWARENESS PROGRAM

GIGU is responsible to ensure that adequate and relevant training on anti-corruption is provided to the employees and directors. This can be done through staff induction program, e-learning, continuous information on anti-corruption related knowledge, internal trainings, etc. Anti-corruption assessment shall be done periodically to assess the employees and directors understanding on the subject matter.

The Integrity Officer ("IO") shall be responsible in managing and monitoring of the awareness program and must maintain accurate records of all conducted training.

13.0 DISCIPLINARY ACTION

Any act which is against the Policy shall be considered as non-compliance with the Policy and disciplinary action shall be taken against the perpetrator in accordance to the internal policies as well as external regulations.

14.0. REPORTING OF THIS POLICY VIOLATION

Associated persons or third parties who encounter actual or suspected violations of this Policy are required to report their concerns promptly. The Group practices an open-door policy and encourages all parties to share concerns and suggestions to be addressed in an appropriate manner. The reporting may be done via the Group Whistleblowing platform (disclosure@mnr.com.my) or directed to:

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Level 4, MNRB Holdings Berhad
Bangunan Malaysian Re, No. 17
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