

## ANTI-CORRUPTION POLICY

Version 1.0

**Authorisation:**

The content of this document has been reviewed and approved as follows:

Version	Effective Date	Amendments/enhancements	Approval Authority
1.0	16 June 2020	From October 2011 up to 16 June 2020, AMB Group companies adopted in totality the AZSE Group Anti-Corruption Policy and the SE Policy serves as the AMB Group Anti-Corruption Policy. The Policy approved & adopted from 16 June 2020 will be the first localized version of AMB Group Anti-Corruption Policy	Board of Directors

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## 1.0 INTRODUCTION

- 1.1 The reputation of Allianz Malaysia Berhad (“AMB”) and its subsidiaries, Allianz Life Insurance Malaysia Berhad (“ALIM”) and Allianz General Insurance Company (Malaysia) Berhad (“AGIC”) (collectively called “AMB Group”) is based on the trust which our clients, shareholders, employees and the general public have in the integrity of AMB Group. AMB Group adheres to these goals in the Allianz Code of Conduct for Business Ethics and Compliance (“Code of Conduct”) which contains a strict prohibition against Corruption and Bribes.
- 1.2 Correspondingly, AMB Group is committed to complying fully with local and international anti-corruption and anti-bribery laws as part of its efforts to maintain strong and effective compliance controls.
- 1.3 This includes AMB Group's strict prohibition against the offer, acceptance, payment or authorization of any Bribes and any other form of Corruption (defined below) whether it was given in the private sector or given to a local or foreign Government Official in the public sector. AMB Group also demands transparency and integrity in all of its business dealings to avoid any improper advantage or the appearance of questionable conduct by its employees or third parties with whom AMB Group does business.
- 1.4 As part of this commitment, AMB Group maintains an Anti-Corruption Program (“Program”). This Anti-Corruption Policy (“Policy”) is one of the key components of the Program and, together, the Program and the Policy connect a number of related policies and controls designed to help AMB Group effectively manage key risk areas for corruption in both the public and private sectors.

## 2.0 OBJECTIVE, SCOPE AND RESPONSIBILITIES

- 2.1 This Anti-Corruption Policy (“Policy”) sets out-AMB Group’s minimum anti-corruption and anti-bribery standards.
- 2.2 This Policy applies to all Directors and Employees, of-AMB Group. Appropriate portions of this Policy will also be applied to Representatives.

## 3.0 REPORTING VIOLATIONS

- 3.1 Violations of anti-corruption and anti-bribery laws may expose AMB Group to reputational risk and significant legal liability, including penalties, fines and the restriction of business across business lines. Therefore, any activity, even if apparently insignificant, that might give rise to a violation of this Policy or the Program must be reported promptly.
- 3.2 Any Directors, Employee and Representatives who has Knowledge of any activity that is likely to violate this policy must promptly report the activity (even where the activity in question has stopped) and the channels that are available are:
  - i) For employees, the direct manager ; or
  - ii) Senior management member of AMB Group
  - iii) Compliance Department where employee suspects the corruption activity involves his/her immediate manager; or
  - iv) Anonymous AMB Group Compliance Officer email : [compliance.officer@AMBGroup.com.my](mailto:compliance.officer@AMBGroup.com.my); or
  - v) Anonymous AZAP Compliance portal : <http://azapopusdb.AMBGroup.sg.awin:8085/apex/f?p=129:2> ; or
  - vi) Anonymous AZAP Compliance email :

[azap.compliance@AMB Group.com.sg](mailto:azap.compliance@AMB Group.com.sg) ; and  
vii) Anonymous AMB Group Compliance portal : [https://gin.AMB Group.de.awin/gin/centers/group\\_cp.nsf/SOXReport](https://gin.AMB Group.de.awin/gin/centers/group_cp.nsf/SOXReport)

- 3.2 Any Directors, Employee and Representatives may also report directly to local authority:-Malaysian Anti-Corruption Commission via <http://portaladuan.sprm.gov.my>.

#### 4.0 GOVERNMENT OFFICIALS

- 4.1 Improper soliciting or marketing to Government Officials, including the provision of any Business Courtesies, may be restricted or prohibited in some countries and must be avoided whenever possible. Gifts to Government Officials can generally only be made after consultation with Compliance. Other prohibited conduct includes, but is not limited to:
- Offering Business Courtesies or Anything of Value which may be deemed to influence any act or decision of a Government Official (for example, award or retention of a government contract);
  - Securing or retaining business based on any improper advantage;
  - Obtaining confidential information about business opportunities, bids or the activities of competitors;
  - Obtaining relief from government controls in a manner that is not in line with the government agency's rules and regulations; and
  - Causing an official to commit or omit an act in violation of his lawful duties.
- 4.2 Even if other types of Business Courtesies or soliciting or marketing activities are permissible, care must be taken to avoid offering Anything of Value that could be construed as requiring, or influencing any official decision (or attempts to) that would either assist AMB Group in obtaining or retaining business, or securing an improper advantage. To avoid any impropriety, AMB Group requires that all interactions with Government Officials be carefully conducted in accordance with local and other applicable law. This may include the imposition of local restrictions or as appropriate pre-clearance of such activities by Compliance (for example, charitable contributions involving Government Officials require special review - see below).

Note: Soliciting and marketing activities to other types of recipients, such as union officials, employee representatives etc., may also be subject to special considerations or restrictions. Consult Compliance or more information.

#### 5.0 RISK AREAS FOR CORRUPTION

- 5.1 Corruption may occur in a number of risk areas. Hence, AMB Group must carry out a thorough risk assessment to identify specific risk areas of corruption and present the results to the senior management to take notice and for approval purposes. Below are some of the more common areas, as well as key principles and references to relevant Allianz policies that are designed to manage these risks.

##### **Business Courtesies**

- 5.2 AMB Group prohibits any direct or indirect offering, giving, promising, authorizing of Anything of Value that is not in accordance with local law and its policies and procedures. While not prohibited, care must be taken in the receipt or provision of all Business Courtesies to manage any potential conflict of interests or the appearance of impropriety. At a minimum, this requires that Employees and Representatives neither provide nor receive Business Courtesies that:

- violate the Allianz Code of Conduct, the Gifts & Entertainment Policy, this Policy or any local laws or regulation;
- are excessive or without business purpose; or
- are intended to gain an improper business advantage no matter how small.

### **Contracting Representatives**

- 5.3 AMB Group's commitment to transparency and integrity in its business dealings extends to Representatives, since unlawful acts or omissions of Representatives may expose AMB Group to risk even if AMB Group did not specifically authorize such acts.
- 5.4 When contracting a Representative, AMB Group requires certain steps to be taken to mitigate possible reputational, legal or regulatory risks of such engagements. These include:
- Sufficient screening and due diligence is performed (the scope will depend on the nature of the engagement and background of the Representative) prior to entering into business relationships and on-going;
  - Engagement is in writing containing that Representative will comply with this Policy, and in a form approved by Legal or legal experts (HR, Claims, etc.);
  - Description of the services to be performed is adequately documented, including the amounts to be paid, and other material terms and conditions of the engagement;
  - Payments are proportionate to the value of the services rendered;
  - Review and approval requirements are completed before engagement; Consideration is given to any "red flags" (for example, location is known for corruption, special payment instructions, or refusal to comply with AMB Group's requirements, etc.); and
  - Other measures, such as ongoing monitoring and regular reviews, may be required.

If at any point during the due diligence exercise or in the dealings with a third party, there are conflicts of interest or "red flags" are raised, these warrant further investigation and must be sufficiently addressed before the engagement of the representative can progress.

### **Political Contributions**

- 5.5 AMB Group recognizes that Employees may be active in the political process. However, Employees' participation must be on an individual basis, on Employee's own time, using his or her own resources. Any political contribution and contributions to political parties on behalf of AMB Group have to be decided by the respective AMB Group's Senior Management.

### **Charitable Contributions**

- 5.6 AMB Group is committed to the communities in which it does business, including supporting charitable organizations. Any charitable contribution made on behalf of AMB Group must not only be given to bona fide charities and intended for proper charitable purposes. In addition, they cannot be made in violation of the Allianz Code of Conduct, this Policy and local law. Charitable contributions may never be used as a condition for or to influence any official action or decision. To uphold this principle, all charitable contribution requests for or on behalf of a Government Official must be processed in accordance with local law and related local policy and procedures on Business Courtesies. It is essential that any such contribution does not constitute an illegal payment to a government body or official or any individual in violation of this policy.

### **Joint Ventures and Outsourcing Agreements**

- 5.7 Prior to entering into a Joint Venture or outsourcing arrangement, AMB Group, as appropriate, must complete certain measures, including conducting an appropriate level of due diligence and obtaining certain internal approvals. As appropriate, these measures must require the joint venture partners or the parties to an outsourcing arrangement to either: i) accept this Policy and relevant controls of the Program, or ii) agree to maintain equivalent controls. Note: If a potential joint-venture partner is a Government Official, consult with Compliance to determine if any special measures are warranted.

### **Procurement Process**

- 5.8 Supplier selection should never be based on receipt of a gift, hospitality or payment. A tender process must include an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, close-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality. Due diligence of new suppliers in supplier selection should include application of anti-corruption and bribery measures or program.

All third parties conducting business with, for or on behalf of the AMB Group are required to act with the highest level of business, professional and legal integrity.

### **Facilitation Payments**

- 5.9 Employees or Representatives are prohibited from directly or indirectly giving or authorizing any Facilitation Payments. Exceptions apply if Employees or Representatives are left with no alternative but to make payments in order to protect against loss of life, limb or liberty. Making facilitation payment in such a situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption. For such situation you must immediately report to Compliance and your Head of Department/Division.

## **6.0 BOOKS AND RECORDS**

- 6.1 Keeping detailed and accurate books and records is a crucial component of AMB Group's anti-corruption controls. AMB Group sets out specific recordkeeping requirements already to make sure that its books and records are kept in reasonable detail and accurately and fairly reflect all transactions and dispositions of assets. Importantly for purposes of this Policy, the following principles must always be followed:
- False or misleading entries must never be made in the books and records of AMB Group for any reason;
  - No undisclosed or undocumented accounts or payments for or on behalf of AMB Group are to be maintained for any purpose;
  - No unapproved or undocumented cash payments may be made for any kind of service for the benefit of AMB Group; and
  - Non-AMB Group resources or payment channels (e.g., private accounts) may never be used to make/enable Bribes or any other offers and payments prohibited by this Policy and related AMB Group policies and procedures.

## **7.0 MONITORING AND AUDITING**

- 7.1 Compliance and Internal Audit will monitor and review compliance with this Policy and the Program through audits and reviews.

- 7.2. All conflicts of interests (potential or real) and matters related to giving or receiving gifts / entertainment / corporate hospitality will be registered in the Gift & Entertainment Log of respective departments (responsibilities of Head of Departments) and reported to Compliance Department on quarterly basis.

## **8.0 AWARENESS AND TRAINING**

- 8.1 AMB Group must undertake initiatives to ensure adequate knowledge and familiarity with this policy. Compliance will provide training to Employees and Representatives as necessary to effectively implement and maintain this Policy and the Program.

## **9.0 POLICY AND PROCEDURES REVIEW AND PUBLISH**

- 9.1 This Policy and Procedures must be reviewed at least once every 3 years based on following areas:
- there is change in the law or circumstance in company's business;
  - there is a material change in the environment or circumstances in which company is operating; or
  - the current policies and procedures are found to be inadequate
- 9.2 A copy of this Policy must also be published into company's corporate website.

## 10.0 DEFINITIONS /GLOSSARY

### Definition/Glosary

<b>Anything of Value</b>	<p>: must be interpreted broadly to include anything (can be monetary or non-monetary) that provides a benefit. It may include favors, contract awards, loans and loan guarantees, or the payment of expenses or debts.</p> <p>The term "anything of value" has been broadly construed and can include not only cash or a cash equivalent, but also, among other things, discounts; gifts; use of materials, facilities or equipment; entertainment; drinks; meals; transportation; lodging; insurance benefits; inside information; political contributions; and promise of future employment. There is no de minimis value associated with the "anything of value" element, and the perception of the recipient and the subjective valuation of the thing conveyed is often a key factor considered in determining whether "anything of value" has been given to a Government Official.</p>
<b>Bribes</b>	<p>: a form of corruption that includes payments, offers or promises to pay, or authorizations to pay or provide anything of value, made by or on behalf of AMB, directly or indirectly, to obtain an improper personal or business advantage. Note: There is no minimum amount or threshold exception for bribes and it is irrelevant how this payment is called.</p>
<b>Business Courtesies</b>	<p>: include gifts, entertainment, transportation, travel, and promotional items (for example, items bearing Allianz's logo or brand).</p>
<b>Corruption</b>	<p>: activity that involves the abuse of position or power for an improper personal or business advantage, the term covers both corruption in the public or private sectors and active (paying) or passive (receiving) corruption.</p>
<b>Employees</b>	<p>: includes full time and part time employees at all levels of the AMB Group. For the avoidance doubt, part time employee includes personnel directly contracted with any of the companies within the AMB Group.</p>
<b>Facilitation Payment</b>	<p>: typically includes Anything of Value provided to a Government Official to expedite or secure the performance of a routine and legitimate governmental action. Note: Routine governmental action includes only those actions that a Government Official must routinely perform and are not discretionary</p>
<b>Government Official</b>	<p>: includes anyone working in an official capacity for or on behalf of government-owned or controlled entities or agencies, political parties, party officials, and political candidates, or for a public international organizations with government members (for example, World Bank). This may include consultants who hold government positions, employees of companies owned or controlled by governments, political party officials and others, or employees retained by government agencies. For purposes of this policy, this term will cover local and foreign government officials and immediate family members (parent, spouse, child, in-law, sibling), and anyone else to whom the Government Official provides material support).</p>
<b>Joint Venture</b>	<p>: includes all contractual agreements joining together two or more parties for the purpose of executing a particular business undertaking. All parties agree to</p>



share in the profits and losses of the enterprise.

- Knowledge** : is defined broadly and is assumed when one knows that an event or consequence is certain or likely to occur. It includes purposefully failing to take account of an event or being "willfully blind" or "consciously avoiding" to an event.
- Representatives** : includes all agents, representatives, brokers, consultants, distributors, contractors/vendors, counsels acting on behalf of Allianz AMB and Joint Venture partners of Allianz AMB Group.
- Red Flags** : Examples of common "red flags" involving third parties include:
- The transaction involves a country known for a high incidence of corrupt payments.
  - Family, business or other "special" ties with government or public officials.
  - A reference check reveals a flawed background or a reputation
  - Inadequate credentials for the nature of the engagement or lack of an office or an established place of business.
  - The third party requires that his/her identity not be disclosed as part of the business transaction.
  - Convoluted 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.