



# Chubb Insurance Malaysia Berhad (Company No: 197001000564)

## Policy & Procedures

### Avoiding Bribery and Corruption Policy

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<b>Policy Owner:</b>	Fiona Yew (Chief Legal & Compliance Officer)			
<b>Reference:</b>	Malaysian Anti-Corruption Commission Act 2009			

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## Purpose of Policy

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- 1.1 To comply with applicable anti-bribery laws, including the Malaysian Anti-Corruption Commission Act 2009, and to accurately reflect all transactions on Chubb's books and records.

## Scope of Policy

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- 1.2 This policy applies to all employees, officers, directors, agents, third party service providers, business partners, or other persons acting on behalf of Chubb Insurance Malaysia Berhad ("Chubb").

## A. Introduction

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- 2.1 At Chubb we conduct our business in accordance with the law and at all times, with integrity. This means that as employees, officers, directors, agents, third party service providers, business partners or other persons acting on behalf of Chubb, we are committed to always applying ethical business practices and complying with the law. We understand that anti-bribery principles and laws apply, and that we avoid even the appearance of corruption or bribery in all our operations.

- 2.2 The following are laws which prohibit the receiving of and making or promising or asking to make gifts or payments to others for a favour, financial reward, improper official action or other benefit:

(A) Malaysian Anti-Corruption Commission Act 2009 ("MACC Act")

There are various offences in relation to bribery and corruption under Part IV of the MACC Act. These include:

- the offence of bribery of an officer of a public body<sup>1</sup>;
- the offence of bribery of foreign public officials<sup>2</sup>; and
- the offence of accepting gratification.

Regarding the offence of giving or accepting gratification, it is an offence under section 17 of the MACC Act for any person (including an organization) – by himself or in conjunction with another - to corruptly solicit or receive or agree to receive for himself or another, or to corruptly give, promise or offer to any person for his or another's benefit – any gratification as an inducement to, or a reward for, or otherwise on account of:

- Any person doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place; or

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<sup>1</sup> The meaning of 'officer of a public body' is defined in Section E of this Policy.

<sup>2</sup> The meaning of 'foreign public official' is defined in Section E of this Policy.

- Any officer of a public body doing or forbearing to do anything in respect of any matter or transaction, actual or proposed or likely to take place, in which the public body is concerned.

A commercial organization such as Chubb can be found liable for corrupt practices of its employees, officers, directors, agents, third party service providers, business partners or other persons acting on behalf of Chubb (“associated persons”), when such corrupt practices were committed by the associated person(s) with intent to obtain or retain business for Chubb, or to obtain or retain an advantage in the conduct of business for Chubb.

Where a section 17A offence is committed by a commercial organization under the MACC Act, a person who is its director, controller, officer or partner, or who is concerned in the management of its affairs at the time of commission of the offence, is deemed to have committed that offence unless that 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. It is a defence for the commercial organization to prove that it has in place adequate policies and procedures to prevent persons associated with the commercial organization from taking such conduct.

(B) Foreign Corrupt Practices Act (“FCPA”)

In the US, for example, the Foreign Corrupt Practices Act (FCPA) criminalizes payments to foreign officials anywhere in the world where the purpose is to influence an official decision to obtain a business benefit. All provisions of the FCPA apply to the directors, officers and employees of Chubb, to its worldwide operations (including domestic and overseas subsidiaries) and to all third parties who conduct business on Chubb’s behalf.

(C) UK Bribery Act

In the UK, the Bribery Act prohibits similar conduct which involves giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. The Bribery Act applies to dealings with government officials as well as commercial organizations. It is also an offence under the Bribery Act to receive a bribe or not prevent bribery.

## B. Complying with this Policy

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3.1 To guard against even the appearance of committing an offence under the MACC Act, FCPA and UK Bribery Act therefore, whether you are a director, officer or employee of the company or any of its subsidiaries, or an associated person of Chubb, you must not:

- make, provide, offer or authorize any payment, gift of any kind or anything of value to any person (including an officer of a public body or to an employee of another organization) where the purpose of that payment is to obtain an improper advantage by inducing a person to perform

a function or activity improperly or to reward them for doing so. Payments or the provision of gifts, made indirectly through a third party (such as agents, consultants, sales representatives, distributors or subcontractors) are also prohibited.

- make facilitation payments. These are typically small payments to secure the performance of routine services or action that the company is otherwise entitled to receive, such as customs clearance, immigration and work permits.

## C. Provisions for Exceptions

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4.1 However, Chubb policy allows certain gifts or payments by Chubb to officers of a public body, foreign public official, and representatives of commercial organizations and vice versa:

- Gifts and entertainment given in good faith without expectation of reciprocity or advantage, and not as an inducement or reward for the recipient to do, or for having done or forborne to do, any act contemplated in Part IV of the MACC Act which relates to officers of a public body / foreign public officials / persons receiving gratification. Gifts or entertainment must also be in connection with Chubb's legitimate marketing and sales activities, and must comply with the limitations set forth in Chubb's Business Gifts and Entertainment Policy and Chubb's Code of Conduct<sup>3</sup>.
- Reasonable, bona fide travel and lodging expenditures directly related to the promotion, demonstration, or explanation of Chubb's products or services, which are not inducements or rewards for the recipient to do or forbear to do, or for having done or forborne to do, any act contemplated in Part IV of the MACC Act which relates to officers of a public body / foreign public officials / persons receiving gratification. [Note: This also applies to reasonable, bona fide travel and lodging expenditures incurred by Chubb staff in connection with his/her job duties and which are accepted practice within the industry. For example, attending market meetings, seminars or third party product and services briefings)].

## D. Examples of Activities that May Violate this Policy

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5.1 We must be alert to any activities that may violate laws against bribery and corruption. Among the circumstances that might give rise to a reasonable suspicion of a violation are:

- A transaction calling for a payment to be made to a party for services that the party appears to have no qualifications or capabilities to supply;
- An agent offering to help Chubb obtain government approval of a particular investment or transaction for a fee that seems excessive for the services to be rendered;

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<sup>3</sup> Entertainment involving officers of a public body/foreign public official must afford Chubb the opportunity to discuss business issues, and should not be lavish, nor too frequent.

- A party requesting that payment be made in cash, or to another party, or to a numbered account, or to a country other than the one in which the transaction will occur;
- A fellow employee or supervisor indicating that a transaction should be characterized in corporate accounts or records in a manner that would conceal or distort the real terms of the transaction;
- An agent or representative having family ties to, financial relationships with, or political allegiances to an officer of a public body, foreign public official or person with potential influence over a transaction in which Chubb is engaged;
- A fellow employee or supervisor suggesting that a transaction need not be authorized in the manner ordinarily applicable to transactions of the same type and value;
- Making political contributions;
- Making donations that support the charitable activities of an officer of a public body or foreign public official or private sector person with whom Chubb does or seeks to do business;
- Extending offers of employment and internships to an officer of a public body, foreign public official, or private sector person(s) with whom Chubb does or seeks to do business or to their family members and friends.

5.2 Because the application of this policy to particular circumstances depends on the specific facts, you should consult with Chubb's Compliance department with respect to any transaction in which there is any possibility that these anti-bribery provisions may apply.

## E. Activities involving Officers of a Public Body or a Foreign Public Official

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6.1 All gifts, travel, entertainment and hospitality provided to officers of a public body or a foreign public official must be pre-approved by Compliance by submitting the Anti-Bribery & Anti-Corruption Policy Pre-approval Form contained herein (**Appendix A**).

An "officer of a public body" is defined in the MACC Act as:

- Any person who is a member, an officer, an employee or a servant of a public body, and includes a member of the administration, a member of Parliament, a member of a State Legislative Assembly, a judge of the High Court, Court of Appeal or federal Court, and any person receiving any remuneration from public funds, and, where the public body is a corporation, includes the person who is incorporated as such.

A "foreign public official" is defined in the MACC Act as:

- Any person who holds a legislative, executive, administrative or judicial office of a foreign country whether appointed or elected;
- Any person who exercises a public function for a foreign country, including a person employed by a board, commission, corporation, or other body or authority that is established to perform a duty or function on behalf of the foreign country; and

- Any person who is authorized by a public international organization to act on behalf of that organization.

6.2 As for all gifts, travel, entertainment and hospitality provided to the private sector, all requests are subject to Chubb's Business Gifts and Entertainment Policy.

## F. Third Parties

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- 7.1 This Policy prohibits payments to third parties, such as contractors, agents, consultants, lobbyists, distributors or sales representatives, who make a payment to officers of a public body, foreign public officials or third parties in violation of anti-bribery laws. This also includes parties with whom Chubb has entered into a joint venture.
- 7.2 We comply with this Policy by ensuring that all contracts with third parties contain a provision, where appropriate, stating that they are aware of the terms of this Policy, that they will comply with it and all applicable anti-bribery legislation, and that with respect to their obligations under the contract, they will not cause Chubb to be in violation of this Policy or such laws.
- 7.3 Example: "[Third party] represents that it is familiar with Chubb's Avoiding Bribery & Corruption Policy and its purposes and will comply in all respects with all laws, regulations and administrative requirements applicable to [third party's] relationship with Chubb, including but not limited to anti-bribery legislation. [Third party] further represents that it will not take any action that would cause Chubb to violate any such laws, regulations and administrative requirements."

## G. Due Diligence of Third Parties

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- 8.1 Due diligence of third parties is to be carried out by officers, employees and staff of Chubb. It is Chubb's company policy, and a regulatory requirement that we "know" third parties with whom Chubb does business, including our service providers who could be our associated persons for the purposes of this Policy.
- 8.2 We will conduct due diligence to the extent possible to provide assurance that third parties with whom we do business and/or associated persons acting on our behalf are complying with legal requirements and the MACC Act. Generally, unless exceptions are provided for in writing in line with Chubb policies, we will make reasonable inquiry and document answers to the following questions:
- Who owns the third party? Who are its officers and employees?
  - Is the third party able to handle its obligations under the contract?
  - What is the reputation and expertise of the third party?
  - Does the third party employ any officers of a public body?
  - Is the third party related to or affiliated with officers of a public body?

- Is the proposed compensation to be paid in exchange for the services rendered or products delivered reasonable?
- Are the financial records provided by the third party audited and confirmed as true and fair by a certified auditor?
- Does the proposed arrangement violate the law?
- Does the third party have reputable references?
- Has the third party been involved in any prior bankruptcies, criminal investigations, regulatory violations or civil litigation?

8.3 Chubb's Third Party Provider Policy and Chubb's Outsourcing Risk Management Framework provide further guidance on this issue.

## H. Accurate Books and Records

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- 9.1 We must also meet relevant standards regarding our accounting practices, books and records and internal controls. All payments and other activities made pursuant to this Policy must be accurately recorded in Chubb's corporate books, records and accounts according to the requirements and procedures set out in the Chubb Code of Conduct and in the Chubb Group Accounting Policies and Procedures Manual, which provide guidance on this issue.
- 9.2 False, misleading, incomplete, inaccurate or artificial entries in the books and records of Chubb are strictly prohibited. Approval forms for the exceptions noted above must be retained by appropriate personnel in accordance with Chubb's Record Retention Policy.

## I. Training and Awareness

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- 10.1 We shall provide adequate training to our employees and business associates to ensure their understanding of Chubb's anti-bribery and corruption position and to promote the culture of integrity.

## J. Monitoring and Review

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- 11.1 We will conduct periodic reviews to assess the performance, efficiency and effectiveness of the controls contemplated in this Policy. The result of the reviews as well as any proposed changes to this Policy will be reported to and approved by the management and the Board of Directors.

## K. Compliance and Penalties

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- 12.1 We recognise the seriousness of not complying with applicable legislation such as the MACC Act, FCPA and UK Bribery Act, as the magnitude of civil and criminal penalties it imposes on individuals and



Chubb are severe. Violations of the various anti-bribery and anti-corruption laws can carry unlimited financial penalties and individuals may be imprisoned for up to 20 years.

- 12.2 Where an employee is found to be in breach of this Policy, an investigation will be conducted and appropriate action (including disciplinary measures) will be taken against the employee in accordance with the guidelines set out in the Company's Human Resources Policies & Procedures Manual.
- 12.3 As employees, officers, directors and associated persons of Chubb, you should immediately seek answers to questions about this Policy, and report violations or suspected violations of this Policy, or any bribery transactions which you become aware of to the Compliance department by sending an e-mail to [ChubbCompliance.MY@Chubb.com](mailto:ChubbCompliance.MY@Chubb.com). Alternatively, you can speak to your manager or any senior leader or manager you feel comfortable with. If you are an employee or officer of Chubb, you may also contact Chubb's Ethics Hotline which is available 24 hours a day, 7 days a week. The link is available on the homepage of The Village.
- 12.4 In addition to the above, under the Section 25 of the MACC Act, you have a duty to report bribery transactions to the nearest Commission officer or police officer. In other words, if you received, or if you were promised or offered any gratification in contravention of the MACC Act, you would need to report such act (notwithstanding that you may not have accepted the gratification offered or promised). Any person who fail to report a bribery transaction shall, on conviction be liable to fine and/or imprisonment.

## L. More Information

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- 13.1 For more information about avoiding bribery and corruption and related policies and procedures, see: Chubb Code of Conduct, Chubb Gifts & Entertainment Policy or please contact the Compliance department.

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### Anti-Bribery & Anti-Corruption Pre-Approval Form

All Chubb directors, officers and employees must receive approval from Chubb Compliance before giving any payment, gift, entertainment, travel, lodging, or anything of value to an officer of a public body or foreign public official as defined in the Avoiding Bribery and Corruption Policy. If you have any questions, send an email to Chubb Compliance.

Please enter all requested information below and provide clear explanations to avoid additional request for information.

**Request Date**

*Please enter date in DD/MM/YYYY format.*

**Email Address of Requestor**

*Enter the email address of the person giving the gift/payment and etc.*

**Email Address of Submitter**

*Enter the email address of the person submitting the form if different from requestor.*

**Job Title**

*Enter the job title of the person giving the gift/payment.*

**Business Unit/Chubb Company and Country**

*Enter the business unit/Chubb Company and Country of the person giving the gift/payment.*

**Department**

*Enter the department of the person giving the gift/payment.*

**Type of Gift/Payment**

*Specify if this is a gift, entertainment, travel, or lodging and supply relevant details such as why you would like to give the gift or entertainment. Include class of travel, form of entertainment, charity sponsorship etc.*

**Name(s) of Recipient(s)***Indicate the recipient of the gift/payment.*

**Recipient(s) Company & Address***Indicate the recipient's company & address.*

**Purpose of Gift/Payment**

**Estimated Cost***Enter total cost or reasonable value estimate for the gift/payment. Please specify currency.*

**Other items given – last 12 months***Include all items given to the individual or entity in the past 12 months.*

**Additional Comments**


Head of Department Name Stamp & Sign Off	Country President Name Stamp & Sign Off
<input type="text"/>	<input type="text"/>

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