



**Perbadanan Insurans Deposit Malaysia**  
**Protecting Your Insurance And Deposits In Malaysia**

**CODE OF BUSINESS CONDUCT AND ETHICS FOR  
DIRECTORS**



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<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
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<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

## TABLE OF CONTENTS

<b>1.0</b>	<b>INTRODUCTION</b> .....	<b>1</b>
<b>2.0</b>	<b>PRINCIPLES</b> .....	<b>2</b>
<b>3.0</b>	<b>STANDARDS OF CONDUCT AND ETHICS</b> .....	<b>3</b>
	Compliance with Applicable Laws .....	3
	Compliance with the Corporation’s Policies.....	4
	Duty to Act Honestly and in the Best Interest of the Corporation .....	4
	Duty Not to Make Improper Use of Information or Do Anything which May Be Detrimental to the Interests of the Corporation .....	4
	Maintain the Highest Standards and Uphold Corporate Values .....	5
	Professional Codes of Conduct.....	5
	Conflict of Interest.....	5
	Confidentiality .....	5
	Public Comment .....	5
	Ethics Advisor .....	7
	Fundamental Rights.....	7
	Personal and Family Relationships .....	8
	Information Technology (“IT”) Access And Equipment Usage .....	8
	Disclosure of Wrongdoing or Breaches of this Code.....	8
<b>4.0</b>	<b>SEEKING CLARIFICATION ON THE CODE</b> .....	<b>9</b>
<b>5.0</b>	<b>FAILURE TO COMPLY</b> .....	<b>9</b>
<b>6.0</b>	<b>WAIVER FROM THE CODE</b> .....	<b>9</b>
<b>7.0</b>	<b>POST-DIRECTORSHIP</b> .....	<b>9</b>
<b>8.0</b>	<b>REVIEW OF THE CODE</b> .....	<b>9</b>
<b>9.0</b>	<b>CROSS-REFERENCES</b> .....	<b>10</b>
	<i>Appendix 1 – Confirmation of Receipt Form</i> .....	<i>11</i>

**Approved by the Board of Directors at the Board Meeting No. 60 on 27 September 2018**



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
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<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

## 1.0 INTRODUCTION

- 1.1 Directors of the Corporation (“Directors”) hold a position of trust with the public and other stakeholders as well as with each other, and with officers and employees of the Corporation. Appropriate conduct by Directors is fundamental to the preservation of the Corporation’s reputation and the success of its operations.
- 1.2 The Board of Directors of the Corporation (“Board”) is therefore committed to ensuring that its members observe the highest standards of business conduct and ethics in performing their duties and responsibilities to the Corporation or when representing the Corporation.
- 1.3 This Code of Business Conduct and Ethics for Directors (“this Code”) sets out the standards of conduct expected of Directors and aims to enhance public confidence and trust in the integrity, objectivity and impartiality of the Corporation.
- 1.4 As no code can cover every situation, a Director must exercise judgment in applying the principles embodied in this Code to any particular situation. The provisions of this Code are in addition to, and not in substitution for, any obligation imposed upon a Director by agreement, common law, equity, statute or regulation. Compliance with this Code will not relieve a Director from any such obligation.
- 1.5 To acknowledge their commitment to abide by the provisions of this Code, each Director shall sign and submit the Confirmation of Receipt Form (in Appendix 1) to the Chairperson, upon taking office or as soon as practicable thereafter.



Perbadanan Insurans Deposit Malaysia  
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<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
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<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

## 2.0 PRINCIPLES

2.1 The principles on which this Code is based are as follows, and are drawn and derived from international standards of best practice in the public sector<sup>1</sup> and best practices in Malaysia:<sup>2</sup>

### **Duty to act in the best interest of the Corporation**

2.2 Directors have a duty to act in the best interest of the Corporation and in accordance with the mandate of the Corporation.

### **Selflessness**

2.3 Directors will make decisions with the interest of the Corporation in mind, and will not act to gain financial or material benefit for themselves, their family or friends.

### **Integrity**

2.4 Directors will not place themselves under any financial or other obligation to any person that might reasonably be thought to influence them in the performance of their duties.

### **Objectivity**

2.5 Directors will make decisions solely on merit when carrying out the business of the Corporation.

[Rationale: Officials should make decisions and provide advice on the basis of the relevant law and policy, and the merits of each case, without regard for personal gain. The integrity of official decision-making, in particular in the application of policy to individual cases, should not be prejudiced by religious, professional, party-politic, ethnic, family, or other personal preferences or alignments of the decision-maker – OECD’s Recommendation on Guidelines for Managing Conflict of Interest in the Public Service]

### **Accountability and Stewardship**

2.6 Directors will accept responsibility for their actions and decisions, consider issues on their merit, take into account the views of others and ensure that the Corporation uses its resources prudently and in accordance with the law.

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<sup>1</sup> The Principles of Public Life, as described by the “Committee on Standards in Public Life”, U.K. (the “Nolan Committee”).

<sup>2</sup> Director’s Code of Ethics, issued by the Companies Commission of Malaysia.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
<b>Initial Approved Date</b>	26 September 2006	<b>Last Reviewed Date</b>	27 September 2018
<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

### Openness

- 2.7 Subject to the constraints of the law, Directors will be as open as possible and give reasons for their decisions and actions.

### Honesty

- 2.8 Directors have a duty to act honestly and declare any private interests relating to public duties and take steps to resolve any conflicts arising in a way that protects the interest of the Corporation.

### Corporate Social Responsibility

- 2.9 Directors will respect and uphold the Corporation's Corporate Social Responsibility Policy.

[Commentary: Corporate Social Responsibility (CSR) or "Good Corporate Citizenship" is an approach to business in which business voluntarily integrates social and environmental concerns into their operations and their interactions with stakeholders. The principle of CSR is set out in the Company Director's Code of Ethics, issued by the Companies Commission of Malaysia.

A Corporate Social Responsibility Policy has been developed for the Corporation and is posted on our website.]

### Leadership

- 2.10 Directors have a duty to promote and support these principles by leadership and example.

### Diversity and Inclusion

- 2.11 The Corporation recognises the immense benefits brought to the Corporation by having a diverse multi-cultural and multi-disciplinary workforce. The Corporation is expected to respect and value the different cultures, gender, religion and uniqueness of others.

## 3.0 STANDARDS OF CONDUCT AND ETHICS

### Compliance with Applicable Laws

- 3.1 Directors shall comply with the laws and regulations governing their conduct. Directors have a responsibility to be sufficiently familiar with any legislation or regulations that apply to their directorship and to recognise potential liabilities,



Perbadanan Insurans Deposit Malaysia  
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<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
<b>Initial Approved Date</b>	26 September 2006	<b>Last Reviewed Date</b>	27 September 2018
<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

seeking legal advice where appropriate in accordance with the policy on external advice.<sup>3</sup>

- 3.2 Directors must not engage in or give the appearance of being engaged in any illegal or improper conduct that is in violation of this Code or that indicates a casual attitude towards compliance with laws, regulations or this Code. A list of the key laws is set out at the end of this Code.

#### **Compliance with the Corporation's Policies**

- 3.3 Directors have a responsibility to know the Corporation's policies, and to comply with these policies. A list of these policies is set out at the end of this Code.

#### **Duty to Act Honestly and in the Best Interest of the Corporation**

- 3.4 Directors acknowledge their obligations under subsection 17(1) of the Malaysia Deposit Insurance Corporation Act 2011 ("the Act") which provides that a director of the Board shall, at all times, act honestly and in the best interest of the Corporation and use reasonable diligence in the discharge of the duties of his or her office.
- 3.5 Certain Directors may be subject to other specific obligations relating to their conduct and ethical behaviour by virtue of the office(s) they may hold, from time to time, in the public sector. Such Directors would need to take steps to resolve any conflicts arising in a way that protects the Corporation.

#### **Duty Not to Make Improper Use of Information or Do Anything which May Be Detrimental to the Interests of the Corporation**

- 3.6 Under subsection 17(2) of the Act, a Director or a person who has been a Director shall not:
- (a) make improper use of any information acquired by virtue of his position as a director to gain, directly or indirectly, an advantage for himself or for any other person; or
  - (b) do, say or publish anything which may be detrimental to the interests of the Corporation.

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<sup>3</sup> Policy and Procedures for the Engagement of Separate Independent Counsel or Other Advisors.

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
<b>Initial Approved Date</b>	26 September 2006	<b>Last Reviewed Date</b>	27 September 2018
<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

- 3.7 Directors further acknowledge their common law duty, as fiduciaries, to subordinate their own personal interests to those of the Corporation.

#### **Maintain the Highest Standards and Uphold Corporate Values**

- 3.8 Directors shall maintain the highest standards of ethics and business conduct in the performance and exercise of their responsibilities as Directors or when representing the Corporation, and uphold the corporate values of the Corporation.
- 3.9 Directors shall further conduct themselves in a manner that reflects the overall spirit of this Code.

#### **Professional Codes of Conduct**

- 3.10 Certain professions have professional codes of conduct that establish specific behaviours relevant to that profession. This Code should be read in conjunction with any professional code of conduct. Where applicable, Directors should know and comply with their professional code of conduct as well as the provisions of this Code.

#### **Conflict of Interest**

- 3.11 Directors shall have full knowledge of the Corporation's Conflict of Interest Code for Directors and shall comply with the provisions of such code. Breach of the Conflict of Interest Code is an offence under section 12 of the Act.

#### **Confidentiality**

- 3.12 In accordance with section 24 of the Act, Directors shall fully respect the confidentiality of the information they obtain because of their office. Breach of section 24 is an offence under the Act.

#### **Public Comment**

- 3.13 Directors shall refrain from any public discussion or public comment, in the media or otherwise, regarding the Corporation's business, affairs, policies or organisation. The term "public discussion" or "public comment" includes comments, photos, video or any media made or posted, within or outside their directorship, on online social media or networking sites, including but not limited to:

- (a) blogs or internet based personal journals that a Director may own, or write or post comments;
- (b) social networking sites such as "Facebook" and "MySpace";
- (c) professional networks like "LinkedIn";



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
<b>Initial Approved Date</b>	26 September 2006	<b>Last Reviewed Date</b>	27 September 2018
<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

- (d) live-blogging sites such as “Twitter”;
- (e) photo or video-sharing sites such as “Flickr” and “Youtube”;
- (f) forums and discussion boards such as “Yahoo Groups” and “Google Groups”;
- (g) Wikis such as Wikipedia;
- (h) e-mail and instant messaging;<sup>4</sup>
- (i) virtual communities such as “Second Life”; and
- (j) any other internet site that would allow Directors to write or post comments to the web.

The foregoing and subsequent restrictions under paragraphs 3.14, 3.15 and 3.16 do not apply to the ex officio Directors who are the Governor of Bank Negara Malaysia and the Secretary General of the Treasury respectively, exercising their responsibilities under their respective offices provided that they do not purport to speak on behalf of the Corporation.

3.14 When making or posting comments on online social media or networking sites, Directors need to take care that they do not make inappropriate postings that could affect the Corporation’s reputation or the reputation of its employees or Directors, jeopardise its relationship with its stakeholders, or have an impact on public confidence in the Corporation. Directors are expected to behave responsibly, ethically and with integrity towards the Corporation, its employees, other Directors as well as its stakeholders. Directors are therefore expected to maintain high standards of behaviour or conduct online in their personal use of social media as would be expected within their directorship. For example, it is not appropriate for Directors to post disparaging or false remarks about the Corporation online, or harass other Directors, or spread rumours about others on their personal Facebook profile, that would affect their reputation or embarrass them.

Further, when making or offering a personal opinion or view on a given subject, on online social media or networking sites, Directors must make clear that such opinion or view is strictly their own.

3.15 Directors should never publicly criticise the Corporation, the Board or their colleagues. Directors must not attempt to undermine the Corporation’s decisions or distance themselves from them outside of their directorship. It is important that nothing done

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<sup>4</sup> This does not cover e-mails or instant messaging such as Whatsapp messages that are meant for circulation only among the Directors of the Corporation.





Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
<b>Initial Approved Date</b>	26 September 2006	<b>Last Reviewed Date</b>	27 September 2018
<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

or said, whether in an official, business or private capacity, should in any way tarnish the reputation of the Corporation or the Board. If a Director has specific concerns about the manner in which the Corporation is being run, these concerns should be raised with the Chairperson or Chief Executive Officer (“CEO”) of the Corporation in the first instance.

- 3.16 Only a designated spokesperson is authorised to issue a statement or make comments regarding the Corporation’s position on a given subject. Where a Director is asked to comment publicly on any issue relating to the Corporation’s affairs, the Director shall decline to comment and refer the enquiry to the CEO.

#### **Ethics Advisor**

- 3.17 The “Ethics Advisor” is the Chairperson of the Board. Where the matter relates to the Chairperson of the Board, the Chairperson of the Audit Committee is the Ethics Advisor.
- 3.18 The Ethics Advisor (with the assistance of an independent advisor where the Ethics Advisor deems appropriate) will report directly and will be responsible to the Board for:
- (a) establishing, reviewing and updating appropriate policies, guidelines and procedures for this Code;
  - (b) providing advice, receiving disclosure and, if appropriate, issuing written opinions to Directors on code of conduct matters they may encounter in fulfilling their respective responsibilities; and
  - (c) preparing an annual report to the Board on the number of enquiries or disclosures received in each fiscal year, and how they were answered or resolved.

#### **Fundamental Rights**

- 3.19 The Corporation is committed to providing all Directors, officers and employees with an environment that respects their basic human rights and that is free from discrimination and harassment. Each Director is responsible for taking all reasonable precautions so as not to demonstrate behaviour that can be reasonably construed as discrimination or harassment. Directors are encouraged to report all incidents of discrimination and harassment to the Ethics Advisor.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
<b>Initial Approved Date</b>	26 September 2006	<b>Last Reviewed Date</b>	27 September 2018
<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

### **Personal and Family Relationships**

- 3.20 A Director who has a personal or family relationship with another Director, officer or employee of the Corporation should inform the Ethics Advisor of this matter and must take steps to ensure that the relationship will not affect the credibility or reputation of the Corporation.

### **Information Technology (“IT”) Access And Equipment Usage**

- 3.21 The Corporation may provide Directors with IT or computing equipment (e.g. Blackberry phones or tablets) and access to its IT system to enable the Directors to carry out their duties and responsibilities. Directors should safeguard such equipment from theft, misuse or damage, and unless otherwise specified by the Corporation, return them when their directorship ceases.
- 3.22 All information and outputs that are stored, processed, or created using such equipment remain the property of the Corporation. Directors are responsible for exercising good judgment regarding the reasonableness of personal use of such equipment.
- 3.23 If a Director is aware of, or suspects any security breach, or has any concerns or queries in relation to the IT access or equipment provided, the Director should inform the Corporate Secretary.
- 3.24 Directors should follow any IT policies or guidance from the Corporation (e.g. on the creation of passwords, termination of access on cessation of directorship), to prevent unauthorised access to the Corporation’s IT system.

### **Disclosure of Wrongdoing or Breaches of this Code**

- 3.25 Directors are required to report to the Ethics Advisor on:
- (a) the conduct of another Director, officer or employee of the Corporation whom the Director has reasonable grounds to believe has done something unethical or illegal; and
  - (b) breaches of this Code, including violations of laws, rules, regulations or the Corporation’s policies.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
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<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

#### **4.0 SEEKING CLARIFICATION ON THE CODE**

- 4.1 Directors should refer enquiries relating to this Code or its application to the Ethics Advisor.
- 4.2 All disclosures to the Ethics Advisor shall be kept strictly confidential unless, in the opinion of the Ethics Advisor, the matter disclosed could adversely affect the Corporation, another Director, officer or employee of the Corporation, or the general public.

#### **5.0 FAILURE TO COMPLY**

Where a Director's conduct constitutes a breach of this Code, the Ethics Advisor may recommend to the Board that it makes a recommendation to the Minister of Finance that the Director be removed from office.

#### **6.0 WAIVER FROM THE CODE**

In extraordinary circumstances and where it is clearly in the Corporation's best interest to do so, the Ethics Advisor may waive compliance with a requirement under this Code for a Director. Conditions may be attached to such a waiver. The Director granted the waiver accepts that public disclosure of the granting of any such waiver may be required by applicable laws, regulations, policies or guidelines.

#### **7.0 POST-DIRECTORSHIP**

Directors must adhere to this Code, as applicable, for such period as may be required by law or as may be reasonable after leaving office.

#### **8.0 REVIEW OF THE CODE**

The Board shall review and reassess the adequacy of this Code periodically and make such amendments to this Code as the Board may deem appropriate.



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<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
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<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

## 9.0 CROSS-REFERENCES

### Applicable Policies and Codes

- Conflict of Interest Code for Directors
- Policy for Disclosure of Information Concerning Improper Conduct
- Communications Policy
- Safety and Health Policy

### Applicable Key Statutes

- Malaysia Deposit Insurance Corporation Act 2011
- Whistleblower Protection Act 2010
- Occupational Safety And Health Act 1994
- Official Secrets Act 1972
- Personal Data Protection Act 2010
- Audit Act 1957
- Malaysian Anti-Corruption Commission Act 2009
- Penal Code
- Capital Markets and Services Act 2007

Perbadanan Insurans Deposit Malaysia  
27 September 2018



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/COSEC/2006/02	<b>Version No</b>	7.0
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<b>TITLE</b>	CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS		

*Appendix 1*

### CONFIRMATION OF RECEIPT FORM

I acknowledge that I have received a copy of the Code of Business Conduct and Ethics for Directors (“the Code”) from Perbadanan Insurans Deposit Malaysia (“the Corporation”).

I have read the Code and agree to abide by the standards set out therein for the term of my office on the Board of Directors of the Corporation and for such period after leaving the service of the Corporation, as may be applicable pursuant to the Code or any provisions of the law.

\_\_\_\_\_  
Director’s signature

\_\_\_\_\_  
Director’s name

\_\_\_\_\_  
Date