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MALAYSIAN RESOURCES CORPORATION BERHAD

GIFTS, HOSPITALITY, DONATIONS & SIMILAR BENEFITS POLICY

ISO 8.7 GIFTS, HOSPITALITY, DONATIONS & SIMILAR BENEFITS

Doc No: MRCB/ABMS/GH/01

CONTROLLED DOCUMENT

APPROVED BY: GROUP MANAGING DIRECTOR

Name	Signature
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Note: 'MRCB', 'MRCB Group' and 'the Group' are synonymous and used interchangeably throughout this document.

	POLICY STATEMENT AND GUIDELINES	
	DIVISION	GROUP

**GIFTS, HOSPITALITY, DONATIONS,
AND SIMILAR BENEFITS POLICY**

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1. INTRODUCTION

In line with MRCB Group's desire to maintain a reputation for integrity in the conduct of its business operations, all MRCB Group's personnel are required to observe the highest standard of professionalism, honesty, integrity and ethics in all business relationships and comply with all laws and regulations.

2. OBJECTIVE

This policy has been prepared to provide the necessary guidelines and actionable steps for its personnel to manage challenges regarding gifts, hospitality, and related matters such as political donations, charitable donations and sponsorships.

3. SCOPE

This policy is applicable to all directors and employees of MRCB Group of companies, including employees on contract, temporary or short-term employment, internship and secondment employees.

The contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of MRCB are expected to comply with the relevant parts of this policy when performing work or services on behalf of MRCB Group.

4. REFERENCES

Anti-bribery and Corruption Policy
Code of Business Ethics
Corporate Communication Manual – Corporate Social Responsibility
Employees Handbook
ISO 37001:2016
Limits of Authority
Group Procurement Policy

5. DEFINITIONS

“Bribery & Corruption” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation.

Bribery may be ‘outbound’, where someone acting on behalf of MRCB attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within the Company such as a senior decision-maker or someone with access to confidential information;

“Gratification” is defined in the MACCA to mean the following:

- (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- (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 liquidation of 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 thing;
- (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).

“Conflict of Interest” means when a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making at MRCB.

“Donation & Sponsorship” means charitable contributions and sponsorship payments made to support the community. Examples include sponsorship of educational events, supporting NGOs, and other social causes.

“External Provider” means any person or business that provides or wishes to provide products or services to or does business with MRCB, with or without a written contract. This may include suppliers, vendors, contractors, consultants and agents.

“HOD” means Head of Division/Department.

“Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as Company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included;

“MRCB” or **“Company”** means Malaysian Resources Corporation Berhad and its group of companies;

“Personnel” means directors and all individuals directly contracted to the Company on an employment basis, including permanent and temporary employees;

“Stakeholders” mean Individuals or groups concerned with, or affected by Company’s policies and practices, including, but not limited to, personnel, customers, government bodies and parties, investors, joint venture partners, suppliers, contractors and communities where MRCB have interests.

6. RESPONSIBILITY

The Integrity and Discipline Department (“IDD”) has responsibility for the management, communication and enforcement of this policy.

“**MANAGEMENT**” includes formulation of the policy and related materials such as summaries, FAQs and clarification documents; management of internal stakeholders directly affected by the policy; managing policy updates; and document management, including maintaining the document repository and version control.

“**COMMUNICATION**” includes informing and educating both internal and external stakeholders on the policy; conducting training; answering specific queries on the subject matter; and disseminating information on policy changes.

“**ENFORCEMENT**” includes monitoring and reporting on the level of compliance to the policy by personnel; identifying areas of non-compliance; coordinating effective action; and providing reports to the relevant stakeholders (internal and external) on enforcement issues and outcomes.

7. RECEIVING GIFTS

7.1 Personnel are prohibited from directly or indirectly, receiving any gifts, kickbacks or guarantees in any form that may compromise an employee’s judgement and decision making.

7.2 Any gift offered must be politely declined and returned without offending or disrupting the business relations with the other party, with the explanation that acceptance of the gift is not permitted under MRCB’s policy.

7.3 If an external provider still insists on giving a gift even after explanation of MRCB’s Gift Policy or it is offensive or not practical to refuse the gifts, the personnel must immediately inform his or her superior and IDD. A duly completed Gift Received Declaration Form provided in **Appendix 1** shall be forwarded to IDD.

- 7.4** Under no circumstances may any personnel accept gifts in the form of cash or cash equivalent or in any other form, including but not limited to:
- a) Perishable items, such as food or drinks;
 - b) Cash, commission, cheques, loans, credits cards in any currency;
 - c) Shares/equity interest in any registered company;
 - d) Lottery tickets;
 - e) Festive gifts, such as hampers, food baskets and etc;
 - f) Discounts;
 - g) Event tickets (concerts, Formula 1);
 - h) Coupons or gift vouchers exchangeable for cash or goods;
 - i) Awards or prizes of any monetary value;
 - j) Trade point cards of any retailer; and
 - k) All other gifts from external providers
- 7.5** Family members of personnel are strictly prohibited from receiving gifts from any external providers having financial dealings with MRCB, where the provision of the gift may influence the actions of the personnel in the course of performing their duties with MRCB.
- 7.6** In the event that a gift cannot be refused promptly or returned to giver before leaving the venue, the person must inform IDD to arrange the return of the gift immediately using the **Form Letter for Gift Senders** provided in **Appendix 2**.
- 7.7** Under very limited circumstances, the following may be received by personnel:
- a) Personal gifts, provided the receipt of the gift is not connected to the duties of the person in any way, and no sense of obligation towards the giver is created;
 - b) Corporate gifts of insignificant value, such as diaries, pens, calendars and notebooks given equally to all participants during official functions, provided that the items are not concealed.
- 7.8** It is the responsibility of the recipient of the gift to ensure that nothing is received which might create a Conflict of Interest or bring their integrity into question. In the event that they are unsure, they should discuss the matter with IDD at the earliest opportunity. The IDD shall decide if the gift creates an actual or potential Conflict of Interest.

8. GIVING GIFTS

8.1 Personnel are expected to exercise good judgment in offering gifts to external stakeholders. However, the provision of gifts is only permitted in the following situations:

- a) Exchange of gifts at a company to company level (e.g. gifts exchanged between companies as part of an official company visit, signing ceremony or launch event);
- b) Gifts from MRCB to external institutions or individuals in relation to official functions, events and celebrations or as a token of appreciation, celebration and recognition;
- c) Gifts from MRCB to its employees in relation to an internal or externally recognised function, event and celebration (e.g. in recognition of an employee's long service to the Company);
- d) Token gifts of nominal value normally bearing the Company logo (e.g. t-shirts, pens, diaries, calendars and other small promotion items) that are given out equally to public, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows, sales and marketing events, etc. and deemed as part of the Company's brand building or promotional activities;
- e) Gifts to external parties who have no business dealings with the company such as monetary gifts or gifts in-kind to charitable organisations, sporting events, educational institutions, community organisations or any other organisations or entities that fulfil MRCB's Corporate Social Responsibility and philanthropic policies and objectives (e.g. donations, sponsorship, fund to particular schools, special events, etc.).

8.2 Giving of gifts should not be done frequently and/or during specific time periods, such as during tenders or contract negotiations, to ensure that no influence is exerted on the decision-making process.

8.3 All gifts shall be approved according to the Limits of Authority before they are given out. The process and procedure for procuring gifts for external stakeholders must be in compliance with the MRCB Group Procurement Policy. Gifts may be procured via request by the HOD who shall prepare an approval memo to obtain written

permission from the Management. The approval memo should be sent to the IDD for recording in the Gift Register.

9. GIVING AND RECEIVING OF HOSPITALITY

9.1 The practice of giving and receiving reasonable and proportionate hospitality is regarded as a normal business activity. However, personnel are prohibited from receiving or giving hospitality that may have some influence or bearing on the person performing their duties, resulting in a Conflict of Interest.

9.2 Hospitality can be given and received by personnel who have interactions with external parties as part of their role at MRCB only when it fulfills the following:

- a) Business-related, i.e. there is a direct relationship between the business activity and the people giving and receiving the hospitality;
- b) Hospitality is not provided to spouses or other non-business guests;
- c) An MRCB host of the appropriate seniority is present at the occasion. 'Appropriate' in this case is defined as a person of the same job grade as the threshold, or one level below; and
- d) The cost of the hospitality does not exceed the hospitality thresholds below:

Job Grade / Position	per event: Malaysia	per event: Overseas
G5 & G6 / Managers & Senior Manager	Up to RM 100 per head	Up to USD 75 per head
G7 / General Managers	Up to RM 250 per head	Up to USD 150 per head
G8 & G9 / VP, EVP, DCEO, CEO, COO	Up to RM 500 per head	Up to USD 250 per head
CCO, GCFO, GCOO	Up to RM 1,000 per head	Up to USD 500 per head
GMD	Up to RM 2,000 per head	Up to USD 1,000 per head

9.3 Hospitality may take many forms, but generally it consists of meals, travel or transportation, accommodation and recreation. Personnel are expected to exercise good judgement in such matters and should discuss with their HOD any concerns they might have regarding a request or offer from an external party to engage in activities that might reasonably be considered to bring the company into disrepute. Personnel should consult IDD if they are in doubt.

- 9.4** Personnel are absolutely prohibited from either paying for or participating in any activities that might bring the company into disrepute. Such activities include lavish or immoral entertainment activities such as gambling, hostess entertainment, karaoke with the presence of guest relations officers or their equivalent, massages, unregulated violent sports, illicit drugs and intoxication by alcohol.
- 9.5** Approval must be obtained from their HOD if the hospitality that is given or received does not fulfil the criteria in Section 9.2 above and/or if any of the following occur:
- a) The cost of the hospitality exceeds the hospitality thresholds;
 - b) Any non-business guests of the invitee(s) are included.

Approval may be by email, text messaging (SMS) or other forms of electronic messaging, provided the person is able to produce the approval on request.

- 9.6** If prior written approval is not requested, personnel must submit a notification within three (3) working days of the giving or receiving of such hospitality to their HOD. Justification of the hospitality must be included.
- 9.7** Hospitality should not be given to the same recipient or group of recipients frequently and over an extended period. Similarly, hospitality should not be received from the same giver or group of givers on a frequent basis or over an extended period.
- 9.8** Personnel are free to accept hospitality from friends and relatives, provided the hospitality does not influence their actions in any way in the course of performing their duties with MRCB. If hospitality is provided which might influence (or appear to influence) the actions of the person, they should discuss the matter with their HOD and if necessary, make a Conflict of Interest declaration.

10. CORPORATE EVENTS ORGANISED BY EXTERNAL PROVIDERS

Personnel are permitted to attend corporate events of ceremonial nature such as commemoration, annual dinner, open house, sporting and cultural event, under the following conditions:

- a) The HOD is aware of the event.
- b) Hospitality is not lavish, and the personnel receives treatment which is no different from hospitality provided for other guests.

11. TRAVELLING ON BUSINESS

11.1 All expenses for personnel travelling on MRCB business shall be paid for by MRCB unless otherwise specified in the relevant work or service contract. Offers by external parties to pay for all or part of such travel expenses which are not covered by a contractual arrangement must be refused. In cases of doubt or uncertainty, the arrangements must be discussed with the HOD prior to travel commencing.

11.2 Personnel travelling on MRCB business where an assessment or decision concerning an external party is involved, such as a factory audit, site inspection or a quality assessment, must not receive gifts of any kind from the external party prior to, during or after the visit. Hospitality should be refused wherever possible. Where it is not practical to refuse, for example an invitation to the site canteen during an inspection, hospitality must be kept to the absolute minimum.

11.3 Personnel attending conferences and seminars on behalf of the company should have all expenses (including attendance fees) paid for by MRCB. Any sponsorships proposed by external providers must be preapproved by the respective HOD.

12. GOVERNMENT OFFICIALS

12.1 MRCB may pay for reasonable and proportionate travel expenses for government officials, where the reason for travel is directly related to MRCB's business. MRCB

must not pay for luxury travel such as first-class tickets or penthouse suites at lavish hotels

12.2 In the event that personnel are hosting government officials, care must be taken to ensure that the hospitality provided is reasonable and proportionate and does not generate a sense of obligation towards MRCB. Hospitality must be in proportion to the standard of living of the officials and of a nature which would not raise concerns should it become public knowledge.

12.3 Under some forms of international legislation, employees of state-owned enterprises are considered to be government officials. Personnel should bear this in mind when hosting employees of state-owned enterprises, including government-linked companies.

13. CHARITABLE DONATIONS AND SPONSORSHIPS

13.1 MRCB takes its responsibility to the wider community seriously and provides both financial and non-financial support for recognised causes. However, such donations and benefits may be misused by certain parties as a subterfuge for bribery. It is therefore essential that personnel ensure that donations and sponsorships are used for the purposes intended, that is to the benefit of the wider community, and not as a cover for bribery or prohibited political payments.

13.2 Charitable contributions, sponsorships and community benefits for external parties must be made according to the Group Corporate Communications Manual to ensure consistency and uniformity across the organisation.

13.3 MRCB shall conduct due diligence checks on all charitable donation, sponsorship and community benefits which may include:

- a) The legitimacy of the recipients;
- b) Checks to ensure the donation is permitted by the laws and regulations;
- c) Checks to ensure donations are not made immediately before, during or after contract negotiations/significant events;
- d) Checks to ensure the entity is not being used as a channel for bribery.

13.4 Soliciting donations, sponsorship or free goods from external parties

All personnel are prohibited from directly soliciting donations, sponsorship or provision of free goods from parties external to the MRCB. Any requests for donations or sponsorship from personnel to external parties must be channelled through the Corporate Communication Department.

14. OTHER BENEFITS

14.1 Any offers of discounts or special services by external providers to personnel must only be made within an official arrangement between MRCB and the external provider which has been approved by the management.

14.2 Such arrangements must be generally available to personnel and the HOD must be notified by the recipient. Examples of discounts provided by external parties may include (amongst others):

- a) Home renovation
- b) Car maintenance
- c) Provision of electronic items and equipment
- d) Provision of materials, e.g. building materials
- e) Air tickets, hotel rooms, spa days and similar arrangements
- f) Catering for weddings, banquets and other special events

15. STAKEHOLDER ENGAGEMENT EVENTS

Stakeholder engagement events must not be used as a means of providing lavish entertainment or the giving of extravagant gifts to external parties, including government servants who operate in a decision-making capacity with relation to MRCB's operations. The instructions set out for gifts and hospitality in this policy must be followed when conducting stakeholder engagement. This requirement applies to activities both in Malaysia and overseas.

16. POLITICAL DONATIONS

MRCB does not make financial or in-kind contributions to political parties, political party officials or candidates for political office. Use of MRCB facilities, equipment and resources by political parties for any political campaign or political party function is not permitted.

17. VIOLATIONS

- 17.1** Personnel are required to adhere to this policy to avoid any conflict of interest or give an impression of conflict of interest in on-going or potential business dealings between MRCB and any external providers, as gifts, hospitality, donations & sponsorships can be viewed as a bribe that may tarnish the Company's reputation or be in violation of anti-bribery and corruption laws.
- 17.2** Non-compliance to this policy will be considered as major misconduct and the employee(s) involved will be subjected to disciplinary action, which may include dismissal. The offence may also be escalated to the relevant enforcement authorities for further action.
- 17.3** Personnel who are aware of any party (internal or external to the company) violating this policy are encouraged to report the matter to the IDD. The personnel may also raise concerns via MRCB's Whistleblowing channel.

18. LEGAL PRECEDENCE

In the event that the laws of any given country include requirements not included in or met by this policy, the law of the country shall take precedence. It is therefore necessary that all personnel engaged in the practice of giving and receiving gifts and/or hospitality are aware of their local laws governing this activity and ensure compliance.

Appendix 1: Gifts Received Declaration Form

EMPLOYEE DETAILS	
Name:	Department / Division:
Designation:	Contact / Email:
PARTICULAR OF GIFTS	
Receipt Date:	
Name of Person / Organisation giving gifts:	
Position / Title:	
Nature of Business	
Organisation address or email address:	
Description of gift: <i>(Please attached photo if applicable)</i>	
Value or estimated value of gift (RM):	
Any other MRCB Personnel witnessed receipt of gift:	
Was giver informed of the Gift & hospitality Policy?	YES / NO

Signature of Recipient:

Date:

INTEGRITY & DISCIPLINE DEPARTMENT	
Received by: <i>(Name & Signature)</i>	Gift Register Reference No.:
	Date of Gift Register:

Appendix 2: Form Letter for Gift Senders

Date:

Name of gift giver

Designation

Name of the company

Company address

Dear Sir/Madam,

Re: APPRECIATION LETTER TO MRCB'S BUSINESS PARTNERS

On behalf of MRCB, I would like to express my sincere appreciation and gratitude to you for _____ (*type of gifts*) received on _____ (*date*).

However, it is MRCB's No Gift Policy that prohibits employees from accepting gifts from any business partners. We have a long-standing request of our partners that no gifts are to be received or offered to any employee. Thus, we regret that _____ (*type of gifts*) will be returned to your good selves.

We seek your understanding and cooperation in this matter to ensure that we conduct our business dealings in a manner that is consistent with the highest ethical standard. We would like to take this opportunity to thank you for your time and sustained support.

Should you require further clarification on the matter, please don't hesitate to contact the undersigned at 03-2786 8080 or _____ (email address).

Thank you.

.....
Name of recipient
Designation