



MGB BERHAD

Registration No. 200201021504 (589167-W)

GIFT, ENTERTAINMENT AND HOSPITALITY POLICY

1.0 INTRODUCTION

MGB Berhad (“MGBB” or “Company”) and its subsidiaries (“MGB Group” or “Group”) recognise the importance of honesty, sincerity, and transparency and are committed in achieving the highest ethical standards in its business operation through compliance with all applicable laws, regulations and/or standards in the jurisdictions, where MGB Group operates.

2.0 OBJECTIVE

To establish guidelines on the giving or receiving of Gift, Entertainment and Hospitality to and from MGB Group, Business Associates, Third Party and/or their representatives.

3.0 SCOPE

This Policy is applicable to the Personnel, Business Associates, Third Party and/or their representatives acting on behalf of MGB Group. Joint-venture companies and associated companies are encouraged to adopt these or similar principles. This Policy should read in conjunction with Anti-Bribery and Corruption Policy and the Whistleblowing Policy of MGB Group.

4.0 “NO GIFT & ENTERTAINMENT” POLICY

- 4.1 MGB Group adopts a “**No Gift, Entertainment and Hospitality**” Policy whereby all members including but not limited to their Directors and Staffs of MGB Group are prohibited from giving and receiving any Gift, Entertainment or Hospitality. The policy herein also extends to family members, representatives and/or Business Associates of Personnel and Third Party.
- 4.2 All Personnel, Business Associates, Third Party and/or their representatives shall abide to this Policy to avoid any conflict of interest or seen to be a conflict of interest, and may potentially tarnish the Group’s reputation or be in violation of anti-bribery and corruption laws.
- 4.3 Although MGB Group practices a “No Gift, Entertainment and Hospitality Policy”, there may be situations whereby it may be customary or necessary to give or receive Gift, Entertainment or Hospitality during the ordinary course of business. Under such circumstances, the following exceptions to the Policy may apply:
 - (i) meet the requirements of applicable internal policies of MGB Group;
 - (ii) as a legitimate, justified business courtesy;
 - (iii) be given in a transparent manner, modest in value and valid purposes; and
 - (iv) not influence or appear to influence the independence of the receiver of the said Gift, Entertainment or Hospitality.



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5.0 DEFINITIONS

“Business Associate” means an external party with whom MGB Group has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendor, advisers, agents, distributors, representatives, intermediaries and investors.

“Corporate Gift” normally bears the Company’s name and logo and are nominal/appropriate value.

“Entertainment and/or Hospitality” means the considerate care of guests, which may include refreshments, accommodation and entertainment. For avoidance of doubt, all forms of entertainment shall be deemed to be included under this definition as well.

“Gift” means anything of value (such as cash or cash equivalent vouchers, goods and services) given to any person or organisation without any expectation of anything in return or without any intention to influence someone to act improperly.

“Personnel” means Directors and all individuals directly contracted to MGB Group on an employment basis, including permanent, temporary employees and interns.

“Public Official” means an individual who:

- (i) holds a legislative, administrative or judicial position of any kind; or
- (ii) who performs public duties or exercises a public function for or on behalf of a country or territory (or subdivision thereof) or for any public agency or enterprise.

“Third Party” means anyone who at any time performs (or who is intended to perform) services for or on behalf of any entity of MGB Group including anyone who is engaged (by contract or otherwise) or paid to represent any entity of MGB Group such as suppliers, distributors, business contacts, agents, representatives, intermediaries, middlemen, introducers, sponsors, consultants, contractors, advisers and potentially Public Official.

“Facilitation Payments” means typically small, unofficial payments or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function, to which the payer is entitled, legally or otherwise.

6.0 ACCEPTING GIFT, ENTERTAINMENT AND HOSPITALITY

6.1 MGB Group acknowledges that Gift giving is a central part of business etiquette. Gift, Entertainment or Hospitality received shall be recorded via MGB Group’s online Declaration Form subject to this Policy.



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- 6.2 The following Gift, Entertainment or Hospitality may be accepted by any Personnel without approval but online Declaration Form is required:
- (i) Corporate Gift; and/or
 - (ii) Perishable items (such as fruits, festive cookies or delicacies offered during festive seasons or ceremonial occasions).
- 6.3 Invitation to attend open house, opening ceremony and receiving condolence offerings may be accepted by the Personnel without approval and online Declaration Form.
- 6.4 Personnel and any Third Party acting for or on behalf of MGB Group are prohibited from:
- requesting gifts, contributions, gratuities, services or bribes from MGB Group's suppliers, or clients, regardless of its worth;
 - accepting any gift, entertainment or hospitality that is, or gives the appearance of, being lavish, offensive or inappropriate;
 - accepting any favours that might be regarded as placing you under some obligation to such person or party; or
 - accepting from, a business contact of MGB Group any gift, entertainment or hospitality in your personal capacity or through any family member or agent.
- 6.5 Save and except for items stated in Clause 6.3, for Gift below RM500, Entertainment and Hospitality below RM200 per person, the Personnel shall declare by executing and submitting the online Declaration Form within 3 business days. The Head of Department or Senior Management shall decide to:
- (i) donate the Gift to charity;
 - (ii) hold the Gift for departmental display;
 - (iii) share the Gift with other employees in the department;
 - (iv) permit it to be retained by the personnel; or
 - (v) assign representative(s) for the Entertainment and/or Hospitality.
- 6.6 In determining the above, it is expected for the Personnel and/or any Third Party acting on behalf of the MGB Group 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 and cultural norms.



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- 6.7 Save and except for items stated in Clause 6.3, for Gift of RM500 and above, Entertainment and Hospitality of RM200 and above per person, the Personnel shall obtain the Executive Director's approval and subsequently declare by executing and submitting the online Declaration Form as soon as practicable. The Executive Director or Head of Department or Senior Management of the Company shall decide whether to:
- (i) donate the Gift to the charity;
 - (ii) hold the Gift for departmental display;
 - (iii) share the Gift with other employees in the department;
 - (iv) permit the Gift to be retained by the Personnel; or
 - (v) assign representative(s) for the Entertainment and/or Hospitality.
- 6.8 Personnel and/or Third Party acting on behalf of the MGB Group are advised to exercise their own judgment and self-assessment to determine the value of the Gift, Entertainment and Hospitality received.

7.0 DECLINING GIFT, ENTERTAINMENT AND HOSPITALITY

- 7.1 If any Gift, Entertainment and Hospitality received are not permitted by this Policy, all Personnel are required to either:
- (a) to politely decline and explain MGB Group's Gift, Entertainment and Hospitality Policy to the offeror; or
 - (b) where it would be offensive or embarrassing to the offeror, the Personnel shall consult the Executive Director or Head of Department or Senior Management to obtain approval on the treatment to such Gift, Entertainment or Hospitality and thereafter declare and submit the online Declaration Form.

8.0 GIVING GIFT, ENTERTAINMENT AND HOSPITALITY

- 8.1 Subject to the terms of this Policy, Personnel may give Gift, Entertainment or Hospitality to any Third Party.
- 8.2 It is the responsibility of the Personnel involved with the giving of any such Gift, Entertainment or Hospitality to make reasonable efforts to enquire about the recipient's policies on Gift, Entertainment and Hospitality and to ensure that the giving of Gift, Entertainment or Hospitality complies with the recipient's policies as well as this Policy.
- 8.3 Prior to giving any Gift, Entertainment or Hospitality, the Personnel shall obtain approval from the Executive Director and thereafter declare and submit the online Declaration Form as soon as practicable.



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9.0 FACILITATION PAYMENT

- 9.1 MGB Group adopts a strict policy of disallowing the use of facilitation payments in its business. Facilitation payment as defined in this policy need not necessarily involve cash or other asset, and can include any sort of advantage to influence Personnel, Business Associates, Third Party and/or representatives in their duties.
- 9.2 Facilitation Payments are deemed to constitute bribery. Where the Personnel are requested to make such payments, the Personnel shall decline to make the payment and report the same to the Compliance Team. Where a payment has been made and the Personnel who made the said payment is unsure of its nature, the Compliance Team must be notified immediately, and the payment shall be recorded accordingly.
- 9.3 Pursuant to Clause 9.2, the Compliance Team shall refer to the Executive Director as to any further action to be taken under this Policy and/or Anti Bribery and Corruption Policy.

10.0 PUBLIC OFFICIAL

- 10.1 Any Gift, Entertainment and Hospitality given to any Public Official will expose MGB Group to higher risks under anti-bribery and anti-corruption laws. All Personnel are expected to be mindful and shall comply with all rules that apply to the interactions with Public Officials.
- 10.2 Personnel may offer or give Gift, Entertainment or Hospitality subject to the following exception whereby the Gift, Entertainment or Hospitality:
- 10.2.1 **Personal Capacity:** is given to the Public Official outside the course of such official's public duties. It is advised that the quantum of RM500 be used as a general guide.
- 10.2.2 **Public Duty:** provided that it is not in breach of any guidelines or codes applicable to Public Officials, is given to the Public Official as a token of appreciation in the course of public duty where such Public Official is officiating or attending an event, ceremony or other function hosted or organised by MGB Group.
- 10.3 At an event, ceremony or function hosted or organised by government authority or ministry, Personnel acting as a representative of MGB Group, may receive Gift, Entertainment or Hospitality from a Public Official.
- 10.4 If a Gift, Entertainment or Hospitality is intended to be given or offered to a Public Official in the course of his public duties as permitted by this Policy, it must be approved in advance by Executive Director.



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11.0 POLICY REVIEW

This Policy has been approved by the Board of Directors and is available on the Group's corporate website and internal computer networking system. All Heads of Department are responsible to inform and explain the contents of this Policy to their staff.

This Policy shall be reviewed by the Board of Directors and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to this Policy shall be approved by the Board of Directors.