




GIFT, DONATION AND SPONSORSHIP POLICY

[Version 1, dated 25 March 2021]

[This Gift, Donation & Sponsorship Policy Manual is part of the whole PASDEC's Anti Bribery Management System (PABMS) which follows "Ministerial Guideline on Adequate Procedure" in response to Section 17A of Malaysia Anti-Corruption Commission (MACC) Act.

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1.0 OVERVIEW

- 1.1 This Gift, Donation and Sponsorship Policy ("**Policy**") is established to provide guidance for providing and receiving of gifts and provision of donations and sponsorships within Pasdec Holdings Berhad, its subsidiaries and its controlled organisations ("**PASDEC**" or "**Company**").
- 1.2 This Policy is to be read in conjunction and together with the Anti Bribery and Corruption ("**ABC**") Manual of the Company.
- 1.3 Any gift-giving, donation and sponsorship is subject to approval of the relevant decision makers according to the limits of authority specified in the applicable Pasdec Authority Limits ("**PAL**") and shall observe the following:-
 - (a) They are customary and lawful.
 - (b) They do not have or are perceived to have (by either the giver or receiver) any effect on actions or decisions.
 - (c) There is no expectation of any specific favor or improper advantage from the intended recipient.
 - (d) Independent judgement of the expected recipient is not affected.
 - (e) Does not involve any corrupt or criminal intent.
 - (f) Must be done in an open and transparent manner.


2.0 DEFINITION

- 2.1 The following definitions are included and referred to in the Policy:-

Term	Definition/Meaning
" Controlled organisation "	An entity where PASDEC has the decision-making power over the organisation such that it has the right to appoint and remove the management. This would normally be where PASDEC has the controlling interest (>50% of the voting share ownership), but it could be where there is an agreement in place that PASDEC has the right to appoint the management, for example a joint venture where PASDEC has the largest (but still <50%) allocation of the voting shares;
" Corporate Gift "	Something given from one organisation to another, with the

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	<p>appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out to the general public at events, trade shows and exhibitions as a part of building the Company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the company name and logo and are of nominal value. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques and festive gift such as hamper, dates and oranges.</p>
"Directors"	<p>Include all independent and non-independent directors, executive and non-executive directors of PASDEC and shall include alternate and substitute directors.</p>
"Donation"	<p>Charitable contribution of cash or other items of value with no return benefits expected to organisations, individuals, societies or any parties for the purpose of supporting the community. The donation initiatives could originate within PASDEC or based on requests received from external parties.</p>
"Employee"	<p>Any person who is in the employment of PASDEC Group including but not limited to executive, non-executive, secondees and individual on direct hire.</p>
"Family members"	<p>Include the spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grand-children, in laws, uncles, aunts, nieces, nephews and first cousins of Personnel.</p>
"Kelab Pasdec"	<p>Kelab Amal Pasdec Pahang incorporated under the Societies Act 1966 with the employees of PASDEC as the primary members</p>
"Personnel"	<p>Refers to employees and Directors of PASDEC Group.</p>
"Sponsorship"	<p>Contribution by PASDEC in the form of monetary, in kind, or in services to support an event, activity or organisation in return for certain and specified benefits of a value for</p>

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	PASDEC Group. Sponsorship benefits include sponsor's brand advertising promotion, publicity, speakers slot, delegation passes, exhibition space, the right to carry out promotional activities, exclusion of sponsor's direct and indirect competitors, the right to promote/communicate the sponsorship etc.
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3.0 GIFT POLICY

3.1 PASDEC's Personnel shall refrain from directly or indirectly offering, giving and soliciting or receiving gifts that may influence good judgment and decision making.

3.2 Providing Gifts

Generally, PASDEC's Personnel are not allowed to give gifts to business associates and other parties engaging with PASDEC with the exception of the Executive Director, Group Managing Director ("**GMD**"), Chief Executive Officer ("**CEO**") and/or Senior Vice President ("**SVP**") responsible for Corporate Communication duly authorised by the Executive Director/GMD.


Any request for provision of Corporate Gift mainly as a business courtesy or for distribution during a corporate or Company event needs to be submitted to the Corporate Communication Department of PASDEC using the applicable Gift Request Form (circulated internally to the employees) or in writing for processing and for prior approval of the relevant decision makers according to their limits of authority.

3.3 Receiving Gifts

The general principle of the Group is for Personnel not to accept gifts and in no circumstances may an employee, Director and his/her family members accept gifts in the form of cash or cash equivalent including gift certificates, commissions, discounts or coupons from parties that it conducts business with.

If a Personnel is offered or receives gift from an external party, he or she is required to politely refuse or return the gift and inform the giver of PASDEC's "No Gift" Policy.

The Company understands that in certain cultures or situations, gift giving is a central part of business etiquette and despite acknowledging PASDEC's "No Gift" Policy some external parties may still insist to provide gifts to PASDEC's employees, directors and/or their family members.

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In the event an employee is unable to decline or return the gift (apart from those categorised as Exceptions), the employee must declare the gift in the Gift Declaration Form (as per **Appendix A**) and surrender such gift to the Group Corporate Secretary & Governance within five (5) business days after acceptance of the gift, who will in turn seek the CEO or GMD's direction on the best way of managing the gift. Directors should inform the Company Secretary as soon as reasonably practicable to seek his/her advice when faced with a similar situation.

The CEO or GMD subject to his/her due considerations will determine the treatment of the gift, whether to:-

- (i) Donate the gift to charity; or
- (ii) Surrender it to Kelab Pasdec to be used for the club's activities; or
- (iii) Register it as Company's property to be used by all employees; or
- (iv) Designate it as a display item; or
- (v) Share it with other employees in the department; or
- (vi) Permit it to be retained by the employee.


3.4 **Returning Gifts**

Nevertheless, if there is a conflict of interest situation involving the party providing such gift and the Company, even if it is disrespectful to refuse the gift from the party, the CEO or GMD cannot approve the acceptance of the said gift and in this situation, the gift must be politely returned through the Group Corporate Secretary & Governance with a note of explanation about the Company's "No Gift" Policy.

3.5 **Exceptions for Giving and Receiving Gifts**

Although generally PASDEC practices a "No Gift" Policy, there are certain exceptions to the general rule where gifts are permitted to be provided and received if they fall within the following situations:-


- (i) Exchange of Corporate Gift at company to company level (e.g. at official events, launches, company visit, courtesy call) and thereafter the gift is treated as Company's property;
- (ii) Gifts that are token of appreciation at official functions, public events and celebrations (e.g. door gifts).

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- (iii) Token gifts of nominal value bearing company's logo or brand (e.g. diaries, t-shirts, pens, calendars etc.) that is part of a marketing or promotional campaign.
- (iv) Gifts from PASDEC Group to employees and directors and/or their family members in relation to a recognized internal or external Company function, event and/or celebration (e.g. recognition of an employee's or director's service).
- (v) Fruits and/or food hampers with actual value of less than RM200.00 each (the recipient must properly estimate the value) received as token of appreciation by an employee from external parties which shall be shared amongst team members or placed in common area or pantry for staff consumption. In such case, the staff could choose to accept the item without having to make the declaration as required in clause 3.3.
- (vi) Gifts given to external parties who have no business dealings with PASDEC and/or given as part of PASDEC's Corporate Social Responsibility ("CSR") programme.

4.0 DONATIONS AND SPONSORSHIPS

- 4.1 All donations and sponsorships must be made in accordance with PASDEC's policies and receive prior authorisation of PASDEC's Management or Board of Directors.
- 4.2 Any donation and sponsorship activity must not be used as conduit to circumvent, avoid or evade the laws or regulatory requirements nor to facilitate bribery, corruption, illegal and money laundering activities as well as improperly influence a business outcome.
- 4.3 As part of our commitment to CSR and sustainable development, PASDEC Group aims to be an active corporate citizen in the communities that we operate. Part of the commitment means supporting local community initiatives which is sometimes also exercised as acts of kindness through donations or sponsorships.
- 4.4 All requests received for donations and sponsorships are to be channelled to the Corporate Communication Department of PASDEC. All donation and sponsorship requests will be carefully examined by the department for legitimacy and against the criteria set by the Company before presenting them to the Management for decision.
- 4.5 Any sponsorship or donation with a tax exemption/relief incentive will be prioritised during the evaluation process to meet PASDEC's cost-saving initiative.

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4.6 The sponsorship and donation shall not conflict with PASDEC's objectives and mission and the potential recipients must not cause harm to the reputation of the Group or contradict the values and objectives of the Company

4.7 **Political Contribution**

Subject to any prevailing law that governs political contribution and satisfactory opinion from a qualified local counsel as to its legality under applicable laws, the Group may make contribution to political parties. All political contributions require prior approval of the Board of Directors of the Company.

4.8 **Sponsorship**

Sponsorship proposals shall be evaluated against internally set criteria that have been developed to ensure that PASDEC Group establishes sponsorship relationships that will mutually benefit PASDEC and the receiving party/organisation. Proposals are evaluated for, among others, tangible benefits, opportunity to create, ability to reach targeted audiences and potential for long-term, sustainable partnership or relationship.

4.9 **Donation**

As a rule of thumb, PASDEC strives to make donations that are meaningful and beneficial to the community. All requests for donations are evaluated against internally set criteria that have been developed. The Group supports philanthropy which can include donating to a worthy cause or volunteering time, effort, or other forms of altruism in support of hard-core poor communities, education for children, disaster relief, environment and other causes beneficial to the community.

GIFT DECLARATION FORM

This declaration form supports PASDEC's Gift, Donation and Sponsorship Policy. Employee must declare the gifts (apart from those categorised as Exception) as outlined in the policy within **five (5) working days** after receipt and submit to the Group Corporate Secretary & Governance ("**GCSG**") for further action.

Name	Employee Number	Department/Division	Declaration Date

DESCRIPTION OF ITEM RECEIVED

Description of Item	Quantity	Sender	Date Received	Actual/ Estimated Value (RM)	Actual/ Potential Conflict of Interest (Y/N)	<u>THIS COLUMN IS FOR GCSG Decision/ Action to be Taken</u>

Disposition Options (To be filled by GCSG on the rightmost column above) :

- Donate the gift to charity; or
- Surrender it to Kelab Amal Pasdec to be used for the club's activities; or
- Register it as Company's property; or
- Designate it as a display item; or
- Share it with other employees in the department; or
- Permit it to be retained by the employee; or
- The item received should be returned to sender

Declared by :	Confirmed by :	Acknowledge & Verified by :	Approved by :
<hr/>	<hr/>	<hr/>	<hr/>
Name :	Head of Dept/Division	Group Corporate Secretary & Governance	Group Managing Director
Date :	Date:	Date:	Date :