



Malayan Flour Mills Berhad

Registration No. 196101000210 (4260-M)

POLICY AND GUIDELINES ON GIFTS AND ENTERTAINMENT

6 July 2020

1.0 Basis

1.1 These Policy and Guidelines on Gifts and Entertainment (“Policy and Guidelines”) are issued pursuant to the following:

1.1.1 Paragraph 15.29 of Bursa Malaysia Securities Berhad Main Market Listing Requirements stated that a listed issuer and its board of directors must ensure to establish and maintain for the listed issuer and its subsidiaries (“Group”) the policies and procedures on anti-corruption that are, at a minimum, guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) with the objective of providing the listed issuer with a defence against the legal liability under Section 17A of the MACC Act and to prevent the occurrence of corrupt practices;

1.1.2 The Code of Conduct of Malayan Flour Mills Group (“MFM Group”) which sets out the ethical standards to be practised by all employees in dealings with all parties including consultants, customers and suppliers with integrity, transparency and professionalism; and

1.1.3 In line with good practice of corporate governance in the conduct of business and affairs of MFM Group.

2.0 Scope

2.1 These Policy and Guidelines shall apply to the Board of Directors, officers and employees, including contractual employees, consultants, agents and person associated with MFM Group (“Associated Persons”).

2.2 MFM Group requires its Associated Persons to abide by these Policy and Guidelines to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealing between MFM Group and external parties as a gift can be seen as a bribe that may tarnish MFM Group’s reputation or be in violation of anti-bribery and corruption laws.

3.0 Prohibition on Giving, Solicitation and Acceptance of Gifts and Entertainment

3.1 Except as otherwise provided in these Guidelines, MFM Group and its Associated Persons, shall not give, agree to give, promise or offer, solicit, accept or use, directly or indirectly any gifts such as gratuity, favour, loan, hospitality and/or entertainment, or anything of monetary value to/from a person or corporation, at any time, on or off the work premises, in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.

3.2 The prohibition shall include, but not limited to:

3.2.1 Gift which is part of an attempt or agreement to do anything in return;

- 3.2.2 Gift which is being made to influence the Board of Directors' or officer's actions as such;
- 3.2.3 Gift which could create the appearance of a conflict of interest;
- 3.2.4 Gift in the form of cash or cash vouchers of any amount;
- 3.2.5 Receive sponsorship in any form for any of the internal programs, activities, and affairs of MFM Group, such as annual dinner, anniversary commemorations and other similar events;
- 3.2.6 Business trip sponsored by consultants, suppliers, customers, business partners etc unless justified and approved by the Managing Director of MFM Group; and
- 3.2.7 Arranging or accepting entertainments during business dealings unless justified and approved by the Managing Director of MFM Group.

4.0 Exceptions to the Prohibition on Giving, Solicitation and Acceptance of Gifts and Entertainment

- 4.1 There are situations whereby the provision and receiving of gifts and entertainment are permitted which are as follows:
 - 4.1.1 Gifts that may be received or given in the customary and normal course of business, as may be determined and approved by the Managing Director of MFM Group;
 - 4.1.2 Gifts or tokens offered or given as symbol of kinship or partnership during gatherings or conferences to which MFM Group is a participant, host or sponsor;
 - 4.1.3 The acceptance and retention of certificates, plaques, cards, thank you notes or other written forms of souvenir or mark of courtesy;
 - 4.1.4 The acceptance of seminar bags and contents, and partaking of moderately priced meals and beverages that Board of Directors, officers and employees obtain at events, such as conferences and seminars, and which are offered equally to all members of the public attending the event;
 - 4.1.5 Working lunches or dinners with suppliers or other stakeholders of MFM Group, if such lunches or dinners are inevitable in the course of official business. Such lunches or dinners should, however, be of modest value not beyond what is normal or customary in the sector or business where MFM Group operates, especially in dealing with potential suppliers or customers;
 - 4.1.6 Product samples of nominal value given by suppliers or potential suppliers if giving such samples are allowed under part of the standard procedures of MFM Group;

- 4.1.7 Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property);
- 4.1.8 Gifts from MFM Group to external institutions or individuals in relation to the company's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
- 4.1.9 Gifts from MFM Group to employees and directors and/or their family members in relation to an internal or externally recognised company function, event and celebration (e.g. in recognition of an employee's/director's service to the company);
- 4.1.10 Token gifts of nominal value normally bearing MFM Group or company's logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities; and
- 4.1.11 Charitable donations or gifts to external parties as part of MFM Group's corporate social responsibility activities, either monetary or gifts in-kind.

5.0 Actions for Gifts Receipt

- 5.1 When gifts are received pursuant to clause 4.1.1, the gifts shall be treated in the following manners:
 - 5.1.1 Gifts such as flower or display item shall be displayed in the lobby or at other location where all employees may enjoy their presence;
 - 5.1.2 Gifts of food that may arrive during festive seasons, and at other times of the year when gift-giving is traditional, belong to the entire staff even if addressed to a single employee or department. Hence, these gifts shall be declared and handed over to the Administration Department for recording and, upon consultation with the Managing Director or any officer(s) so authorised by him, re-distribution to all employees at that location; and
 - 5.1.3 Gifts accepted on other occasion shall be treated in the manner as determined by the Managing Director of MFM Group or any officer(s) so authorised by him.

6.0 Repealing Clause

- 6.1 All existing guidelines, orders, policies and other issuances, which are inconsistent with any provision of these Policy and Guidelines shall be deemed superseded.