



Malayan Flour Mills Berhad
Registration No. 196101000210 (4260-M)

POLICY AND GUIDELINES ON GIFTS AND ENTERTAINMENT

Second Edition (2022)

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APPENDICE

Gifts, Benefits and Sponsorships Declaration Form

Appendix A

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 Unless expressly permissible and, when required, pre-approved by Managing Director of MFM Group as 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 of MFM Group’s operations or any transaction MFM Group intends to enter or is a party to.

When and where pre-approval is required by these Guidelines, the requesting employee shall use the Gifts, Benefits and Sponsorship Declaration Form (Appendix A) to submit his/her application for approval. There are circumstances where the Guidelines do not require pre-approval, but disclosure of gifts, entertainment or sponsorship for the senior management's knowledge and oversight. Under these circumstances, the Gifts, Benefits and Sponsorship Declaration Form shall be used for disclosure purposes.

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 pre-approved by the Managing Director of MFM Group; and
- 3.2.7 Arranging or accepting entertainments during business dealings unless justified and pre-approved by the Managing Director of MFM Group.
- 3.2.8 Facilitation (or grease) payments which are payments outside published fee schedules, no matter how small, made to the public officials or persons of influence to expedite or "facilitate" performance of non-discretionary, routine governmental actions (e.g., obtaining a permit or license, processing government papers, providing police protection, loading or unloading cargo, turning on utility services). Under no circumstances may any MFM Group's employee make facilitation payments in any form.

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:

4.1.1.1 Gift giving to a Public Official: If the fair market value of a gift provided to a Public Official is less than RM100 and meets all the requirements of this Policy, no pre-approval is required, but the requesting employee providing the gift or entertainment must complete the Gifts, Benefits and Sponsorship Declaration Form for disclosure purposes prior to giving the gift or entertainment. If the fair market value of the gift or entertainment provided to a Public Official is equal to or more than RM100 or does not meet all the other requirements of this Policy, approval from Managing Director of MFM Group is required before such gift or entertainment can be provided to the Public Official.

A Public Official is any domestic and international government official, including with no limitation to: (1) any elected or appointed officials; (2) employees of any executive, legislative, or judicial department, agency, or instrumentality of any government, from the local level to the national level, regardless of rank or authority; (3) persons acting in an official capacity on behalf of any government official or entity, whether paid or unpaid; (4) officers and employees of political parties; (5) candidates for political office; (6) officers and employees of state-owned or state-controlled business, school, hospital, or other entity; (7) Royalty, even with simple ceremonial functions; and (8) officers and employees of public international organisations or any departments or agency thereof (such as, the United Nations, the Red Cross, and the World Bank).

4.1.1.2 Gift giving to a commercial entity: Any gift or entertainment to be given to a commercial entity with the fair market value that is more than RM400 requires pre-approval on the Gifts, Benefits and Sponsorship Declaration Form even though all other requirements and conditions in this Policy have been met. If the fair market value of a gift provided to a commercial entity is less than RM400 and meets all the requirements of this Policy, no pre-approval is required, but the requesting employee providing the gift or entertainment must complete the Gifts, Benefits and Sponsorship Declaration Form for disclosure purposes prior to giving the gift or entertainment.

4.1.1.3 Receiving Gifts: Employee shall report any gift, entertainment or sponsorship he/she is offered or has received on the Gifts, Benefits and Sponsorship Declaration Form. Managing Director of MFM Group may make the following decisions with respect to the gift, entertainment or sponsorship reported to him/her: (1) permitting the employee to receive or keep the gift or benefit; (2) permitting the employee[s] to receive the offered sponsorship; (3) collecting the gift and redistribute it to all employees (especially suitable for food items); (4) collecting the gift from the employee for the benefit of the company; (5) directing the employee to reject the gift and return it to the giver, or reject the offer of benefit or sponsorship; or (6) other decisions the Managing Director of MFM Group deems appropriate and consistent with MFM Group's Code of Conduct and policies.

- 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 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 Guidelines on Flowers, Food and Other Gift Items

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 of MFM Group 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 Reporting Violations

6.1 MFM Group's personnel have a duty to report suspected or known violations of these Policy and Guidelines. To report such suspicion or any known violation, MFM Group's personnel should submit MFM Group's Whistle Blowing Report Form to the General Manager, Group Human Resources as directed in Section 6.1 of the Standard Operating Procedures & Policy (SOPP) on Whistle Blowing. It is the Company's policy that employees will suffer no retaliation for reporting potential compliance concerns.

7.0 Repealing Clause

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

Appendix A

Gifts, Benefits and Sponsorships Declaration Form

This declaration form supports MFM Group's *Policy and Guidelines on Gifts and Entertainment*. Employees must declare all exchanges (including giving, offer, and receipt) of gifts, benefits, and sponsorships using this declaration form. All exchanges must comply with MFM Group's Code of Conduct and relevant policies and offers of non-token gifts to MFM Group's employees must be declined. Completed form shall be sent to the Administration Department together with the gift (if applicable). Please attach with any supporting documentation (if any).

Employee Details <i>(to be completed by the employee of MFM Group)</i>	
Name:	
Title:	
Department/Division:	
Date:	
Details of Exchange	
Date of Actual or Anticipated Exchange:	
Description of the Gift, Benefit or Sponsorship:	
Giver/Recipient Identity: <i>please tick (✓) the applicable</i> <input type="checkbox"/> Giver <input type="checkbox"/> Recipient	Name: Title: Organisation:
Is the Recipient a Public Official?	Yes [] No []
If the Recipient is a Public Official, Please Indicate Whether He/She Is Permitted to Accept the Gift or Entertainment Per Applicable Local Law or Regulation	Yes [] No []
Estimated or actual value:	
Reason for the Exchange: <i>(Please provide the reason for the giving, offer, or receipt of the gift, such as festive gifts, appreciation tokens, and etc.)</i>	
..... Signature	Name: Date:
Approval by Managing Director of MFM Group <i>(or an authorised personnel)</i>	
..... Signature Name: Date:	
Actions: <i>please tick (✓) which appropriate.</i> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Approve <input type="checkbox"/> Keep by Recipient Employee <input type="checkbox"/> Keep by Company <input type="checkbox"/> Disclosure Acknowledged, and Pre-Approval Not Required </div> <div style="width: 45%;"> <input type="checkbox"/> Deny <input type="checkbox"/> Redistribute to All Employees <input type="checkbox"/> Reject and Return to Giver </div> </div>	
Remarks:	

