

GIFT, ENTERTAINMENT AND HOSPITALITY POLICY

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1. INTRODUCTION

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

2. SCOPE

This Policy is applicable to the Personnel of LBS Bina Group Berhad (“LBS”) and its subsidiaries (“the Group”), and Business Associates acting on behalf of the Group. Joint-venture companies and associated companies are encouraged to adopt these or similar principles. This Policy should be read in conjunction with the Anti-Bribery and Corruption Policy and the Whistleblowing Policy of the Group.

3. “NO GIFT & ENTERTAINMENT” POLICY

- 3.1 The Group adopts “No Gift, Entertainment and Hospitality” Policy whereby all members including but not limited to their Directors and Staffs of the 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.
- 3.2 All Personnel of the Group 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.
- 3.3 Although the Group practices “No Gift, Entertainment and Hospitality” Policy, situations may arise 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 the 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.

4. DEFINITIONS

“Business Associate” means an external party with whom the 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, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

“Corporate Gift” normally bears the Group’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 money 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 the 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 the Group including anyone who is engaged (by contract or otherwise) or paid to represent any entity of LBGB 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.

5. ACCEPTING GIFT, ENTERTAINMENT AND HOSPITALITY

- 5.1 The Group acknowledges that gift giving is a central part of business etiquette. All Gift, Entertainment or Hospitality received shall be recorded via online Declaration Form.

5.2 Gift, Entertainment or Hospitality may be accepted by any Personnel without approval provided that it is:

- i) a Corporate Gift;
- ii) perishable items (such as fruits, festive cookies or delicacies offered during festive seasons or ceremonial occasions); or
- iii) an exception falls under Clause 3.3 above.

5.3 Personnel and any Third Party acting for or on behalf of the Group are prohibited from:

- requesting gifts, contributions, gratuities, services or bribes from the 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 the Group any gift, entertainment or hospitality in your personal capacity or through any family member or agent.

5.4 For Gift below RM500, Entertainment and Hospitality below RM200 per person, the Personnel shall report within 3 business days via online Declaration Form. The Head of Department shall decide 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; or
- iv) permit it to be retained by the Personnel.

5.5 In determining the above, it is expected 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.

5.6 For Gift, Entertainment and Hospitality of the value as stated below, the Personnel shall declare and submit the online Declaration Form for approval as soon as practicable in accordance with the guideline of the Group:

- Gift: RM500.00 and above
- Entertainment/Hospitality: RM200.00 and above per person

5.7 Personnel is advised to exercise their own judgment and self-assessment to estimate/determine the value of the Gift, Entertainment and Hospitality received.

6. DECLINING GIFT, ENTERTAINMENT AND HOSPITALITY

If any Gift, Entertainment or Hospitality offered or received are not permitted by this Policy, all Personnel are required to either:

- a) to politely decline and explain the Group's Gift, Entertainment and Hospitality Policy; or
- b) where it would be offensive or embarrassing to the sender, the Personnel shall consult the Head of Department and/or Executive Director to obtain approval on the treatment to such Gift, Entertainment or Hospitality, and record via online Declaration Form.

7. GIVING GIFT, ENTERTAINMENT AND HOSPITALITY

- 7.1 Subject to the terms of this Policy, Personnel of the Group may give Gift, Entertainment or Hospitality to any Third Party.
- 7.2 It is the responsibility of the Personnel involved with the giving of any such Gift, Entertainment or Hospitality to make reasonable efforts to inquire into the recipient's policies on Gift, Entertainment and Hospitality and to ensure that the proposed Gift, Entertainment or Hospitality complies with those policies.
- 7.3 Prior to giving any Gift, Entertainment or Hospitality, the Personnel shall declare and submit the online Declaration Form to the Executive Director for approval as soon as practicable in accordance with the guideline of the Group

8. FACILITATION PAYMENT

- 8.1 The 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 in their duties.
- 8.2 Facilitation Payments are deemed to constitute Bribery. Personnel shall decline to make the payment and report to Compliance Team immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and Personnel are unsure of the nature, the Compliance Team must be notified immediately, and the payment be recorded accordingly.
- 8.3 Pursuant to 8.2 above, 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.

9. PUBLIC OFFICIAL

- 9.1 Any Gift, Entertainment and Hospitality given to Public Official expose LBGB Group to higher risks under anti-bribery and anti-corruption laws. All Personnel are expected to be mindful and comply with all rules that apply to the interactions with Public Officials.
- 9.2 Personnel may offer or give Gift, Entertainment or Hospitality subject to the following exception whereby the Gift, Entertainment or Hospitality:
 - 9.2.1 **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.
 - 9.2.2 **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 the Group.
- 9.3 At an event, ceremony or function hosted or organised by government authority or ministry, Personnel acting as a representative of LBGB Group, may receive Gift, Entertainment or Hospitality from a Public Official.
- 9.4 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 the Executive Director.

10. REVIEW OF THE POLICY

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

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 should be approved by the Board of Directors.

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