



PERNEC CORPORATION BHD

NO GIFT POLICY

NO GIFT POLICY

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1.0 INTRODUCTION

- 1.1 Most organizations want to build good relationships with customers, suppliers, contractors, and others. The practice of giving and receiving gifts is a common culture in our society, especially during the festive and busy seasons.
- 1.2 Pernec Corporation Bhd. (“**PCB**”), Pernec Integrated Network Systems Sdn Bhd (“**PINS**”), Cyseca Solutions Sdn Bhd (“**CSSB**”) and/or all subsidiaries (where applicable) (individually referred to as the “**Company**” and collectively referred to as the “**Group**”) recognizes the importance of honesty, sincerity and transparency and is committed to achieving the highest ethical standards in its business practices.
- 1.3 The Company has established this No Gift Policy which aims to provide guidance on the acceptance and giving of gifts among the Company’s employees in conducting business with integrity, thereby enhancing the image of the Company.
- 1.4 The Company employees are not permitted to accept from or give to persons or all parties, suppliers, contractors, developers, civil servants and/or others any form of gifts or special treatment if:
- 1.4.1 The gift relates to official duties;
 - 1.4.2 Giving or receiving is done with corrupt intent.

2.0 OBJECTIVES

- 2.1 The objectives of the No Gift Policy for the Company are as follows:
- 2.1.1 Provide guidance to the employees in relation to the acceptance and giving of gifts by employees either while on official duty or outside official working hours; and
 - 2.1.2 Warn parties who deal with the Company such as suppliers or contractors not to give gifts to any of the Company's employees who deal with them.

3.0 SCOPE

- 3.1 This policy applies to:
- 3.1.1 All the Company employees, Board Members and Associations within the Company; and

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- 3.1.2 All business partners who are or will be dealing with the Company.
- 3.2 This Policy should be read in conjunction with the Company's Code of Business Conduct for Employees as well as any of the Company policies, rules and procedures and laws in Malaysia.
- 3.3 For the avoidance of doubt, any policy mechanisms and procedures for the No Gift Policy made by associations within the Company may only act in addition to this Policy, and in the event of any discrepancy, this Policy shall prevail.
- 3.4 Any term, provision or promise in this Policy which is invalid or unenforceable shall be ineffective to the extent that it is unlawful or unenforceable without nullifying the provisions of this Policy.

4.0 NARRATIVE

No	Narrative	Description				
4.1	Purpose	Provide guidance to the employees in relation to the acceptance and giving of gifts by employees either while on official duty or outside official working hours; and				
4.2	Reference	Internal Reference i. Anti-Bribery and Corruption Policy; ii. Whistleblowing Policy; iii. Code of Business Conduct; iv. Limit of Financial Authority (LOFA); v. Related standard operating procedures.				
4.3	Definitions	<table border="1"> <tr> <td>Bribe</td> <td>The definition of 'bribe' (bribery) under section 3 of the Malaysian Anti-Corruption Commission Act 2009 refers to money, donations, gifts, loans, fees, gifts, valuable collateral, property, or interest in property, of any kind. property, whether movable or immovable, financial benefits, or any similar benefits.</td> </tr> <tr> <td>Gift</td> <td>: The meaning of 'gift' under Public Service Circular No. 3 of 1998 refers to money, movable or immovable property, free fares, shares, discounts, commissions, hampers, souvenirs, vehicles, travel facilities, entertainment, services, club memberships and so on.</td> </tr> </table>	Bribe	The definition of 'bribe' (bribery) under section 3 of the Malaysian Anti-Corruption Commission Act 2009 refers to money, donations, gifts, loans, fees, gifts, valuable collateral, property, or interest in property, of any kind. property, whether movable or immovable, financial benefits, or any similar benefits.	Gift	: The meaning of 'gift' under Public Service Circular No. 3 of 1998 refers to money, movable or immovable property, free fares, shares, discounts, commissions, hampers, souvenirs, vehicles, travel facilities, entertainment, services, club memberships and so on.
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		Business Partner	:	Suppliers, contractors, consultants, auditors, lawyers, or any party who has business or service dealings with the Company as well as Stakeholders within the Company.
		Law Enforcement agencies	:	Government agencies that have the functions and powers of investigation and enforcement such as the Royal Malaysia Police, the Malaysian Anti-Corruption Commission and others.
		Official tasks	:	Duties related to the actual duties in the Company, or any instructions given by the CEO, and/or the Head of Division/Department.
		Associations	:	Organizations established by the Company such as Foundations, Sports Clubs, Welfare Clubs, Cooperative, Organizations and Trade Unions Companies include all employees and its board members / subsidiary trustee members.

5.0 ENFORCEMENT

- 5.1 The enforcement of this Policy is subject to the approval of the Board of Directors of the Company.
- 5.2 The Board Audit Committee is responsible for reviewing and updating this Policy as and when necessary. Any proposed amendments in the future shall be presented to the Board of Directors of the Company for approval.
- 5.3 This policy shall be disseminated to all the Company employees, Board Members and Associations, and uploaded on each of the Company's website.

6.0 GIFT

- 6.1 Acceptance of the following gifts are allowed:
 - 6.1.1 From a co-worker in conjunction with the exchange, retirement, engagement, marriage of an employee;
 - 6.1.2 From the wife or husband, children including a son-in-law or legally adopted child, parents including parents-in-law and siblings including a side of the wife or husband;
 - 6.1.3 From relatives and friends in conjunction with birthday celebrations, engagements and weddings of employee or children, or any other occasion having to do with customary and/or religion;
 - 6.1.4 Gifts that are quickly spoiled and not durable such as food, drinks, fruits, vegetables, flowers and so on.

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- 6.1.5 Hari Raya/New Year or any major festival gifts in the form of hampers (not exceeding RM100 in value) sent to the office must be shared with existing employee within the department. If the gift is specifically addressed to an officer/Head of Department, the recipient must declare to the Human Resources Department if it is not shared with other employee within the department; and
- 6.1.6 Birth, marriage or childbirth gifts of employee.

7.0 PROHIBITED CONDITIONS FOR ACCEPTANCE OF GIFTS

- 7.1 The employees are prohibited from accepting any form of gift or hospitality from any person or business partner if:
 - 7.1.1 The gift relates to official duties
 - 7.1.2 Giving or receiving is done with corrupt intent.

8.0 ACCEPTANCE OF A GIFT THAT ARE CONSIDERED AS AN OFFENCE

- 8.1 Acceptance of a gift, whether of a matching or mismatched form, amount or value of a gift, is an offence under the law if the acceptance is in the following circumstances:
 - 8.1.1 If the receipt or request of the gift is corruptly or with corrupt intention that it is a wage or inducement to the employee to do or not to do or because he has done or because he has not done an act related to the business;
 - 8.1.2 If the person or party giving the gift has a conflict of interest under his or her supervision and the acceptance is not in good faith ('not in good faith' but with criminal intent ('men rea'); or
 - 8.1.3 If the officer or employee becomes aware of the receipt of the gift with criminal intent from a person or party who has, or is, or may have a conflict of interest with the Company.

9.0 ACCEPTANCE AND GIVING OF GIFTS

- 9.1 Acceptance and giving of gifts to influence business decisions is prohibited. In any circumstances, the employees shall not accept any gifts in the form of cash or cash equivalents including gift certificates, loans, commissions, coupons, discounts or anything related. All benefits given or received must be in accordance with the Company's Code of Business Conduct.
- 9.2 In principle, the Company's Board Members and Employees are prohibited from accepting or giving gifts to third parties if they are made with the intention of influencing a third party to obtain or maintain business or in exchange for a benefit or interest. Members of the Board

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and employees of the Company need to be careful in accepting and giving special gifts or treatment as it can be seen as an improper way of influencing the decision-making of recipients. Therefore, the intention behind a special gift or service is always made reasonable consideration.

9.3 If in certain circumstances the rejection of a gift that is related to official duties, will embarrass the gift giver, or affect professional relationships, as well as create a situation of wrongdoing involving the giving/offering of hospitality that is allowed is:

- 9.3.1 Invitations to social or corporate events;
- 9.3.2 In the form of badges (plaques) or pennants or handicraft items produced by the organization itself or printed materials related to the organization intended for promotion (Examples: diaries, calendars, pen drives, umbrellas, canvas bags, etc.); and
- 9.3.3 Goods that break down quickly and are not durable.

The employees may accept the gift/prize and must take the following action:

- 9.3.3.1 Report the receipt of gifts by completing and submitting the Gift Acceptance Form to the Head of Department; and
- 9.3.3.2 Submit a copy of the Gift Acceptance Form to the Human Resources Department for monitoring purposes.

9.4 The only form of gift giving allowed to outside parties is a corporate gift (amount of RM350.00 or below). Any gift giving or hospitality offer is subject to approval in accordance with the 'Limit of Financial Authority' and must meet the following conditions:

- 9.4.1 They are restricted, customary and legal under the law such as corporate diaries, calendars, souvenirs, memento or gifts given or received during official ceremonies approved by the Company from time to time;
- 9.4.2 They do not have or are seen to have (either by the giver or the recipient of the gift) any effect on the action or decision;
- 9.4.3 Do not expect any particular advantage/benefit from the intended recipient;
- 9.4.4 The consideration of business decisions against/from recipients is independent and shall not affect the decisions/actions of the Company;
- 9.4.5 There must be no element of corruption and/or criminal intent; and
- 9.4.6 The giving of gifts and special treatment must be done openly and transparently.

9.5 All gift giving must be approved as contained in the Limit of Financial Authority.

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10.0 ACCEPTANCE OF GIFTS NOT RELATED TO OFFICIAL DUTIES

- 10.1 For the acceptance of gifts that are not related to official duties, the employees who receive them must take the following actions:
- 10.1.1 Report the receipt of gifts by completing and submitting the Gift Acceptance Form (please refer to **Appendix 1**) to the Head of Division or the Limit of Financial Authority of the Company for approval; and
 - 10.1.2 Submit a copy of the Gift Acceptance Form to the Human Resources Department for monitoring purposes.

11.0 DECISION OF HEAD OF DIVISION

- 11.1 The Head of Division when considering the certificate of acceptance of the gift for the decision should take into account the circumstances:
- 11.1.1 Acceptance of the gift does not violate any rules and laws;
 - 11.1.2 Acceptance of the gift does not raise a suspicion that the employee has used the position to obtain the gift;
 - 11.1.3 The frequency with which the employee received the gift;
 - 11.1.4 The relationship between employee and the person or party giving the gift;
 - 11.1.5 The interests of the department and the Company as a whole; and
 - 11.1.6 The value corresponds to the purpose of the gift.
- 11.2 The Head of Division upon receipt of the Gift Acceptance Form can decide to:
- 11.2.1 Instruct the employee to return the gift to the person or party who gave the gift;
 - 11.2.2 Allow the employee to accept the gift;
 - 11.2.3 Allow the department to keep the gift; or
 - 11.2.4 Dispose of the gift as appropriate.

(Please refer to **Appendix 2** for **Conditions for Approving the Receipt of Gifts by Heads of Divisions**)

12.0 SPONSORS FOR TRAVELLING

- 12.1 The employees may receive accommodation and other expenses (such as food, vehicles) provided by public organizations (such as industry bodies, inter-governmental bodies and public universities), trade associations, non-profit organizations and non-governmental organizations and other institutions of higher learning in the host country, if the trip is for official business of the Company and prior written approval has been obtained from the Chief Executive Officer or any Board Member. (Refer to the Limit of Financial Authority).

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- 12.2 The employees may also receive accommodation or other expenses such as food, vehicles and others provided by the Business Partner if the trip is for business purposes and prior approval has been given by the Chief Executive Officer or any Board Member.
- 12.3 Unless prohibited by the laws and policies of the recipient organization, the Company may incur transportation and accommodation costs for Business Partners or other shareholders in connection with visits to the Company facility areas. The visit must be on legitimate business matters such as on-site testing of goods, contract/commercial negotiations or training and others. Preliminary approval must be obtained from the CEO in accordance with budget approval. (Refer to the Limit of Financial Authority).

13.0 CORPORATE HOSPITALITY FOR PUBLIC OFFICERS

- 13.1 The employees are prohibited from offering travel payments to any public officer and/or their family members without the written approval of the Chief Executive Officer or any of the Board Members. If in doubt, please refer to the Human Resources Department for further clarification.

14.0 LEGAL PROVISIONS

- 14.1 Any non-compliance may lead to an element of offence under the following rules:
- i. Anti-Corruption Act 1997;
 - ii. Malaysian Anti-Corruption Commission Act 2009 (Act 694);
 - iii. Penal Code (relevant sections).

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APPENDIX

Appendix 1

Gift Acceptance Form



GIFT ACCEPTANCE FORM

Attention:

1. Gift Acceptance Form must be completed filled-up in an original copy only.
2. A copy of the Gift Acceptance Form must be submitted to Human Resources Department for record keeping.

A	RECEIVER PERSONAL DETAILS
---	---------------------------

- | | | |
|--------------------------------|---|--|
| 1. Name | : | |
| 2. Identification No. | : | |
| 3. Position | : | |
| 4. Company/Subsidiary/Division | : | |
| 5. Department/Unit | : | |

A	RECEIVER PERSONAL DETAILS
---	---------------------------

- | | | |
|--|---|--|
| 1. Type of Gift
(Brand, Name of Gift, Estimated Value (RM)) | : | |
| 2. Name of Giver | : | |
| 3. Receiver Name | : | |
| 4. Date Received | : | |
| 5. Reason of Receiving Gift | : | |
| 6. Placement of Gift | : | |

C STAFF ACKNOWLEDGEMENT	D APPROVAL								
<p>I acknowledge that all the information stated in this form is true.</p> <p style="text-align: center;">(Signature)</p> <p>Name : _____</p> <p>Position : _____</p> <p>Date : _____</p>	<p>Please tick (✓) as follows:</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;"><input type="checkbox"/></td> <td style="width: 25%;">A</td> <td style="width: 25%;"><input type="checkbox"/></td> <td style="width: 25%;">C</td> </tr> <tr> <td><input type="checkbox"/></td> <td>B</td> <td><input type="checkbox"/></td> <td>D</td> </tr> </table> <p><i>(Please refer * Note as stated below)</i></p> <p style="text-align: center;">(Signature)</p> <p>Name : _____</p> <p>Position : _____</p> <p>Date : _____</p>	<input type="checkbox"/>	A	<input type="checkbox"/>	C	<input type="checkbox"/>	B	<input type="checkbox"/>	D
<input type="checkbox"/>	A	<input type="checkbox"/>	C						
<input type="checkbox"/>	B	<input type="checkbox"/>	D						

- Note:
- | | | |
|---|---|---|
| A | - | Instruct staff to return gift to the person or party who gave the gift; |
| B | - | Allow staff to accept the gift; |
| C | - | Allow the department to keep the gift; |
| D | - | Dispose of the gift as appropriate. |

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Appendix 2

Conditions For Approving the Receipt of Gifts by Heads of Divisions

- 1) The authority to approve the acceptance of gifts by the Heads of Divisions is subject to the following rules:
 - i. Gifts received must be given by the donor free of charge without any conditions or obligations. The donors do not have any interest in the Company.
 - ii. It must be ensured that the items or equipment donated provide benefits to the Company in general.
 - iii. A gift is given by a donor voluntarily and not at the request of the relevant employee of the Company. The employees are prohibited from seeking gifts or donations from any party whether organization or individual.
 - iv. Heads of Divisions are responsible for ensuring that the gifts received are used according to what is desired by the donor.
 - v. All gifts approved by the recipient shall be included in the inventory of the Division.

- 2) Heads of Divisions are required to send the form to the Human Resources Department (personal files of employee) when a gift has been approved for acceptance. The form must state the details of the gift, its value, the name of the donor and the place where the gift is placed.