

# Gifts and Hospitality Policy

Version 1 as of [     ]

## **PART I: INTRODUCTION**

### **1. S P SETIA'S GIFTS AND HOSPITALITY POLICY**

- 1.1. Ethics, honesty and integrity are the cornerstones of our approach to doing business.
- 1.2. The provision and receipt of gifts and hospitality that are of a reasonable value for a legitimate business purpose has a part to play in the building of business relationships. However, gifts and hospitality can potentially be abused and could amount to bribery and corruption.
- 1.3. Bribery and corruption is strictly prohibited. We take a zero-tolerance approach to all forms of bribery and corruption both within our organisation and in respect of the actions of our agents, business partners, contractors, service providers and other third parties and associated persons.
- 1.4. The purpose of this Policy is to:
  - 1.4.1. set out our responsibilities and the responsibilities of those working for us for observing and upholding our stance against bribery and corruption when giving and receiving gifts and hospitality; and
  - 1.4.2. provide information and guidance to those working for us on how to recognise bribery and corruption issues when giving and receiving gifts and hospitality and the procedures for dealing with such issues.
- 1.5. This Policy should be read in conjunction with S P Setia's Code of Conduct and Business Ethics, S P Setia's Anti-bribery and Corruption Policy and S P Setia's Political & Charitable Donations Policy.

### **2. DEFINED TERMS**

- 2.1 **Bribery** is the direct or indirect giving, promising, offering, receiving, agreeing to receive, requesting or accepting of any advantage or thing of value to or from any person in order to influence them corruptly or improperly in the exercise of their duty, or to be so influenced, or to secure or reward an improper benefit.
- 2.2 **Director** means a Director appointed to a Board of Directors of S P Setia.
- 2.3 **Employee** means any individual working at any level or grade, including officers, senior managers, trainees, secondees, agency staff, volunteers, interns, of S P Setia, whether full-time, part-time, permanent, fixed-term or temporary.
- 2.4 **Gifts** are anything of value (such as money or cash equivalent vouchers, goods, services, loans, tickets and prizes) given to any person or organisation without any expectation of anything in return or without any intention to influence someone to act improperly.
- 2.5 **Gifts and Hospitality Register** is a register to be implemented and maintained by the IGU for the purpose of this Policy.

- 2.6 **Heads** means in relation to an Employee, the head of business unit, head of support unit, a Divisional General Manager, an Executive Vice Presidents, a Senior Executive Vice President, Chief Operating Officer or Chief Executive Officer, within the Employee’s reporting line.
- 2.7 **Hospitality** includes the following advantages that may be given to any person or organisation including their family members and business partners:
- 2.7.1 entertainment (such as golf activities, tickets to sporting events etc.);
- 2.7.2 meals and drinks; and
- 2.7.3 travel and/or accommodation (whether or not packaged with conferences, seminars, study trip or other benefits).
- 2.8 **Integrity and Governance Unit or IGU** means the integrity and governance unit of S P Setia which has the primary and day-to-day responsibility for implementing and overseeing this Policy, and for monitoring its use and effectiveness.
- 2.9 **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 (including government linked companies and enterprises, and state-owned or state-controlled companies and enterprises); or (iii) is an official or an agent of a public international organisation (such as the United Nations or similar body).
- 2.10 **S P Setia** means S P Setia Berhad and its subsidiaries and any business which is directly or indirectly (i) wholly or majority owned; or (ii) controlled; or (iii) managed by S P Setia Berhad.
- 2.11 **Third Party/Third Parties** includes anyone who at any time performs (or who is intended to perform) services for or on behalf of any entity in S P Setia including anyone who is engaged (by contract or otherwise) or paid to represent any entity in S P Setia such as suppliers, distributors, business contacts, agents, representatives, intermediaries, middlemen, introducers, sponsors, consultants, contractors, advisers and potentially Public Officials.

### 3. WHO IS COVERED BY THE POLICY ?

- 3.1 This Policy applies to all Employees, Directors and Third Parties wherever located.
- 3.2 Employees, Directors and Third Parties are expected, as part of their normal duties, to do the following:
- 3.2.1 familiarize themselves with the Policy and related policies;
- 3.2.2 participate in any relevant training or briefing provided by S P Setia; and
- 3.2.3 immediately report any instances of Gifts and Hospitality which are an actual or suspected bribe, any allegations of the same made or offered by a third party or an Employee or a Director, or breaches of relevant policies and procedures which come to their attention.
- 3.2.4 In this Policy, any reference to “you” or “your” means any person subject to this Policy.

#### **4. WHO IS RESPONSIBLE FOR THE POLICY?**

- 4.1 The Board of Directors has overall responsibility for ensuring this Policy complies with S P Setia's legal and ethical obligations.
- 4.2 The Integrity and Governance Unit (the **IGU**) has primary and day-to-day responsibility for implementing and overseeing this Policy, and for monitoring its use and effectiveness. The IGU shall regularly report to the Risk Management Committee and ultimately to the Board of Directors concerning the implementation and effectiveness of this Policy.
- 4.3 The Chief Risk, Integrity and Governance Officer (**CRIGO**) is responsible for reviewing the adequacy of this Policy and regularly reporting on its implementation and matters arising thereunder to the Risk Management Committee and ultimately to the Board of Directors of S P Setia, taking into account relevant developments and evolving international laws and industry standards.
- 4.4 Every Employee of S P Setia, Director and any Third Party acting on behalf of S P Setia are responsible for understanding the Policy. All queries regarding this Policy's interpretation and when and how the rules can apply in any given situation should be directed to the IGU.
- 4.5 Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it. The nature and frequency of the training will vary depending on the role of the individual and the likelihood that such person or entity will provide and receive Gifts and Hospitality. All Employees and Directors must ensure that they complete any training that they are required to undertake as directed by S P Setia's Board of Directors and management, from time to time.

### **PART II: GIFTS & HOSPITALITY**

#### **5. GIFTS AND HOSPITALITY**

##### **GIFTS**

- 5.1 As a general rule, all Employees, Directors and Third Parties are prohibited from giving and receiving any form of Gifts unless they are permitted under Section A, Schedule 2 of this Policy. This prohibition of giving and receiving Gifts extends to family members, representatives and/or business partners of Employees, Directors and Third Parties.

##### **HOSPITALITY**

- 5.2 As a general rule, all Employees, Directors and Third Parties are prohibited from giving and receiving any form of Hospitality unless they are permitted under Section B, Schedule 2 of this Policy. This prohibition of giving and receiving Hospitality extends to family members, representatives and/or business partners of Employees, Directors and Third Parties.

##### **Declining Gifts and Hospitality**

- 5.3 If any Gifts and Hospitality offered or received are not permitted by this Policy, you are required:

- 5.3.1. to politely decline and explain S P Setia's Gift and Hospitality Policy;
- 5.3.2 if practical, return the Gift received to the sender;
- 5.3.3 if it would be offensive or embarrassing to the sender or S P Setia to return the Gift or decline Hospitality, to record the receipt of such Gift or Hospitality in the Gift and Hospitality Register and hand over the Gift or, if applicable, Hospitality, to the IGU.

IGU, shall upon receiving such Gifts and Hospitality, arrange for the donation of such Gifts or Hospitality to a charitable organisation based on the objectives set out in S P Setia's Political and Charitable Donations Policy and shall further maintain a register of such donations made by IGU.

#### Authorisation by Relevant Heads

- 5.4 The giving or receiving of Gifts and Hospitality will only be authorised by the relevant Heads if the Gift or Hospitality is permitted and:
  - 5.4.1 is not given or received with the intention of improperly influencing anyone in order to obtain or retain business or a business advantage, or to improperly reward the provision or retention of business or a business advantage;
  - 5.4.2 when given, is given in S P Setia's name and not in an individual's name;
  - 5.4.3 is of a relatively small value and frequency is given or received at an appropriate time (taking into account the reason for the gift).
  - 5.4.4 is reasonably and legitimately related to the nature of the business relationship and is given or received openly, not secretly.

#### Inappropriate Gifts and Hospitality

- 5.5 Examples of inappropriate Gifts or Hospitality are set out in the following scenarios:
  - 5.5.1 there is a corrupt intention to give, promise to give, or intention or promise to offer, a Gift or Hospitality with the expectation or hope that new business or a business advantage will be received or retained, or to reward new business that has been received or a business advantage already given;
  - 5.5.2 there is an intention to give, promise to give, or intention or promise to offer, a Gift or Hospitality to a Public Official, agent or representative to "facilitate" or expedite a routine procedure (such as governmental permits, approvals grants, consents etc.);
  - 5.5.3 there is an intention to receive a Gift or Hospitality from a Third Party that you know or suspect is offered with the expectation that it will obtain, or was given in exchange for, a business advantage for such Third Party;
  - 5.5.4 there is an intention to engage in any activity that might lead to a breach of this Policy or any other policy of S P Setia;
  - 5.5.5 the offering or receiving of the Gift or Hospitality would be illegal under local law;

- 5.5.6 the Gift or Hospitality is offered to or offered by parties engaged in a competitive tender or bidding process;
- 5.5.7 the Gift offered or received is in cash or a cash equivalent (such as gift certificates, cash cards or vouchers, gold or bearer bonds); and/or
- 5.5.8 overly frequent Gifts and Hospitality such as expensive free weekly tickets to sporting or other events which are disproportionate or appear unsuitable for a legitimate business reason.

#### PUBLIC OFFICIALS

- 5.6 All Employees and Directors are prohibited from giving and receiving any form of Gifts and/or Hospitality from Public Officials unless permitted by this policy. This prohibition of giving and receiving Gifts and/or Hospitality extends to the family members, representatives and/or business partners of Employees and Directors.
- 5.7 However, depending on occasion and purpose, you may offer or give Gifts or Hospitality subject to the exception whereby Gifts or Hospitality:
  - 5.7.1 **personal capacity:** is given to the Public Official outside the course of such official's public duties and that such Public Official has no official dealings with S P Setia. For example where you are invited, in your personal capacity, to a wedding or a festive occasion (Chinese New Year, Hari Raya, Deepavali etc) hosted by a Public Official in his personal capacity then it would be appropriate. Gifts may include bouquet of flowers, box of chocolates, fruits, cakes or other perishable items. It is advised that the quantum of RM500 be used as a general guide.
  - 5.7.2 **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 S P Setia, of a value, in any case, not exceeding RM500. For example:
    - (i) amongst other invitees and staff, a Public Official was invited to officiate an opening ceremony organised by S P Setia on the opening of a public highway link constructed by S P Setia to its development project that also alleviates traffic congestion and serves the greater community living in the surrounding area;
    - (ii) amongst other invitees and staff, a Public Official was invited to speak at a risk awareness forum organised by S P Setia;

Gifts may include corporate branded stationery such as plaque, pens, photo frame and calendars, bouquet of flowers, box of chocolates, fruit basket, commemorative book or other appropriate reading materials, and Hospitality may include lunch, tea or other refreshments that are offered to invitees at the event, ceremony or function.

5.8 At an event, ceremony or function hosted or organised by government authority or ministry, you, as a representative of S P Setia, may receive Gifts or Hospitality from a Public Official, if refused, would cause embarrassment and/or offence to the Public Officials or S P Setia. For example, as an invited speaker at an event hosted or organised by government authority or ministry, a Gift is presented to you on stage by a Public Official as a token of appreciation in a public setting and it would be offensive and/or embarrassing to refuse such Gift.

If you are unsure whether a particular Gift and/or Hospitality offered or received should be accepted or retained, or if you have any other queries, these should be raised with the IGU.

5.9 If a Gift 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 IGU and shall not, in any case, exceed a value of RM 500. That approval shall include the name, position of the Public Official concerned, the date, a description of the Gift or Hospitality, the reason for the Gift or Hospitality and the reason for the approval of the Gift or Hospitality and the country in which the Gift of Hospitality occurred.

Gifts and Hospitality Register

5.10 As set out above, a record must be kept of all Gifts and/or Hospitality offered, or received, by an Employee or a Director in the Gifts and Hospitality Register.

5.11 In addition, all Gifts and/or Hospitality given or offered to, or received from or offered by, a Public Official must be recorded in writing in the Gifts and Hospitality Register, regardless of their value.

5.12 The Gifts and Hospitality Register shall be monitored by the IGU. However, it is your responsibility to ensure that any Gifts and/or Hospitality offered by, or to you, are recorded in the Gifts and Hospitality Register where required under this Policy.

5.13 The IGU will provide further information in respect of the Gifts and Hospitality Register under the relevant procedures.

5.14 The format of the Gifts and Hospitality Register shall be as set out below:

<b>Serial Number</b>	<b>Date</b>	<b>Details of or Person or Organisation Giving or Receiving the Gift or Hospitality</b>	<b>Details of the Gift or Hospitality</b>	<b>Estimated Value</b>	<b>Names of those receiving or offering</b>	<b>Reason for Gift or Hospitality</b>	<b><u>Details/Remarks (occasion &amp; country)</u></b>
<i>e.g 001</i>	<i>31 Dec 2018</i>	<i>ABC Consulting Partnership</i>	<i><u>Pewter plaque</u></i>	<i><u>RM300</u></i>	<i>Received from Mr. A, Director of ABC Consulting Partnership</i>	<i><u>Token of appreciation for speaking at seminar in KL</u></i>	<i><u>Seminar on Strata Development, Kuala Lumpur, Malaysia</u></i>

## **PART III: YOUR RESPONSIBILITIES**

### **6. YOUR RESPONSIBILITIES**

- 6.1 You must ensure that you read, understand and comply with this Policy and the relevant standard operating procedures.
- 6.2 You are required to avoid any activity that might lead to, or give the perception of, a breach of this Policy.
- 6.3 You must record all Gifts and Hospitality that are offered or received in the Gifts and Hospitality Register, as required by this Policy.
- 6.4 You must notify the IGU as soon as possible if you believe or suspect that a breach of this Policy has occurred, or may occur in the future.
- 6.5 You should be vigilant of the warning signs of Bribery when dealing with Gifts and Hospitality (referred to here as "red flags"), set out in Schedule 1 to this Policy.
- 6.6 The prevention, detection and reporting of Bribery are the responsibility of all those working for S P Setia or under S P Setia's control.
- 6.7 It is a disciplinary offence for you to not comply with the terms of this Policy.

### **7. HOW TO RAISE A CONCERN**

- 7.1 You must raise genuine concerns about any occurrence or genuine suspicion of misconduct or violation of this Policy at the earliest possible stage by reporting any such occurrence or suspicion immediately in writing to the IGU and/or the relevant Heads. Such reports may then be escalated by the IGU to the Risk Management Committee, and ultimately the Board of Directors, as appropriate. Please refer to the Whistleblowing Policy for more detailed guidance.
- 7.2 If you are unsure whether a particular act involving Gifts and Hospitality constitutes Bribery, or if you have any other queries, these should be raised with the relevant Heads or the IGU.
- 7.3 Once you have reported a genuine suspicion or concern, the matter should not be discussed with any person other than those responsible for investigating it until otherwise notified.

## **SCHEDULE 1**

### **POTENTIAL RISK SCENARIOS: "RED FLAGS"**

The following is a list of possible red flags in relation to Gifts and Hospitality that may arise during the course of you working for S P Setia and which may raise concerns under anti-bribery and corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for S P Setia, you must report them promptly to the relevant Heads or the IGU:

- a) You are asked to give or given a gift of cash or a cash equivalent such as vouchers that may be exchanged for goods such as electronics, air miles, gold, silver or bearer bonds.
- b) You are asked to give or given a very high value gift by someone with whom you have a business relationship whilst working for S P Setia.
- c) You are asked to authorise or pay the travel or entertainment expenses for a Third Party /Public Official for no apparent business reason.
- d) You are asked to pay for entertainment at night clubs or the provision of sexual favours.

**SCHEDULE 2**  
(NOT APPLICABLE TO PUBLIC OFFICIALS)

**SECTION A - PERMITTED GIFTS**

1. Corporate branded stationery or mementos such as plaques, pens, photo frames and calendars, bouquet of flowers, box of chocolates, fruit basket, commemorative books or other appropriate reading materials given or received as a token of appreciation. For example:
  - (a) in relation to hosting or organising corporate or industry related events such as conferences, seminars, trade shows, presentations, talks or other events;
  - (b) as an invited speaker or panellist at a corporate or industry related events such as conferences, seminars, trade shows, presentations, talks or other events.
2. Promotional gifts such as t-shirts, pens, bags and other articles that are handed out by the hosts or organisers to all invitees or participants at corporate or industry related events such as conferences, seminars, trade shows, presentations, talks or other events.
3. Gifts which are appropriate to the circumstances such as festive occasions, cultural tradition or local custom, and are considered reasonable within the local business community and permitted by local laws. Such Gifts shall not exceed, in any case, RM500 (or its equivalent in value), approved in advance by the relevant Head.

**SECTION B - PERMITTED HOSPITALITY**

1. Occasional dining and entertainment such as refreshments or meals offered or received in the course of business meetings or to foster good business relationships which is considered reasonable within the local business community. Such dining and entertainment must be within general ethical boundaries, not extravagant or unjustifiably expensive or overly frequent. It is advised that RM500 be used as a general guide.