

Gifts, Entertainment and Hospitality

Effective Date: 11/8/2020

Amended:

1. PREAMBLE

Gifts, Entertainment and Hospitality are usually assessed as high-risk areas for bribery. Sunway University has adopted a “No Gift” Policy whereby, Sunway University’s employees are prohibited from, directly or indirectly, receiving or providing gifts, entertainment and hospitality subject only to certain narrow exceptions.

It is the responsibility of employees and directors to inform any third parties involved in business dealings with Sunway University of the “No Gift” Policy and to request all parties to understand, respect and adhere to the policy.

The Gift, Entertainment and Hospitality Policy (referred to in this document as the “GEH Policy”) is provided as a subset of Sunway University’s (hereinafter referred to as “the University”) Anti-Bribery and Corruption Policy. This Policy complements and should be read in conjunction with the Anti-Bribery and Corruption Policy.

2. SCOPE

This Policy gives guidance to all the University’s employees, including directors and any third parties dealing with the University, as to what constitutes appropriate forms of Gifts, Hospitality and Entertainment and what constitutes as an improper benefit (bribery or corruption). No policy can describe all circumstances and rules. Therefore, employees are expected to use good and professional judgment at all times in the areas of offering and receiving any gifts, entertainment and hospitality.

All forms of Gifts, Entertainment and Hospitality referred to in this Policy must comply with the principles laid out in the University’s Anti-Bribery and Corruption Policy.

3. DEFINITIONS

3.1 **‘Gifts’** refers to money, goods or services, which, if given appropriately, are a mark of friendship or appreciation. Gifts should be given without expectation of consideration or value in return.

3.2 **‘Entertainment and Hospitality’** is defined as meals, drinks, lodging, travel or other expenses given to or received from people who have, who may have facilitated the creation of a business relationship with the University. This includes expenses incurred by a prospective client, customer or business partner. Expenses can be a legitimate contribution to achieving a business outcome and includes attendance at social, cultural or sporting events.

3.3 **‘Basic Rules’** is defined as the basic rules on Gifts, Entertainment and Hospitality expense*:

3.3.1 **Bona fide:** Made for the right reason: if a gift, entertainment or hospitality, should be given clearly as an act of appreciation, if travel expenses then for a bona fide business purpose.

3.3.2 **No obligation:** The activity will not create any obligation or expectation on the recipient.

3.3.3 **No undue influence:** The expenditure will not be seen as intended for, or capable of, achieving undue influence in relation to a business transaction or public policy engagement.

- 3.3.4 **Made openly:** It will not be performed in secret and undocumented – if it is, then the purpose becomes questionable.
- 3.3.5 **Legality:** It is compliant with relevant laws.
- 3.3.6 **Accords with stakeholder perception:** The activity would not be viewed unfavourably by stakeholders were it made known to them.
- 3.3.7 **Proportionate:** The value and nature of the expenditure is not disproportionate to the occasion.
- 3.3.8 **Conforms to the recipient's rules:** The gift, hospitality or reimbursement of expenses will meet the rules or code of conduct of the recipient's organisation.
- 3.3.9 **Infrequent:** The giving or receiving of gifts, entertainment and hospitality is not overly frequent between the giver and the recipient.
- 3.3.10 **Documented:** The expense will be fully documented including purpose, approvals given and value.
- 3.3.11 **Reviewed:** The records of entertainment and hospitality expenses and the effectiveness of the policy and procedures are reviewed by the management.

*Clause 6.3 of Sunway University's Anti-Bribery and Corruption Policy

- 3.4 **'Tender Processes'** is defined as any processes of tender such as request for tender, tender submission, envelope opening, tender evaluation, final selection, final negotiations, and awards.
- 3.5 **'Conflict of Interest'** is defined as a situation in which an employee has a private or personal interest sufficient to influence or appear to influence the objective exercise of his or her official duties as an employee, or a professional.
- 3.6 **'Actual or Perceived Value'** is defined as:
 - (i) Actual Value – Based on the purchase receipts/invoices.
 - (ii) Perceived Value – Estimated value of the gift, entertainment and hospitality being offered in the absence of purchase receipt or invoices.
- 3.7 **'Public Officials'** includes officers to Public Bodies, candidates for public office, officials of any political parties and officials of any state-owned enterprises.
- 3.8 **'Public Bodies'** includes the Government of Malaysia, State Government, any local and statutory authority, national or state department, registered societies, registered sports governing bodies, company or subsidiary of any public bodies.

4. GENERAL RULES ON GIFTS, ENTERTAINMENT AND HOSPITALITY

- 4.1 The University's employees are prohibited from offering or accepting gift, entertainment and hospitality with a view to improperly cause undue influence on any other party in exchange for some future benefit or result. Any acts of this nature whether provided or accepted directly or indirectly through intermediary, will be construed as an act of bribery and contrary to the core values of the University.

- 4.2 The University's employees are required to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between the University and external parties as gifts can be seen as bribes that may tarnish the University's reputation or be in violation of anti-bribery and corruption laws. This includes participation in tender processes, on-going or potential business dealings between the University and external parties. Under the conflict of interest circumstances, any gift, entertainment and hospitality offered by the external parties must be refused by the employee concerned immediately.
- 4.3 The University's employees are responsible to check and understand any restrictions for gifts, entertainment and hospitality that has been set out by a receiving company prior to offering a gift.
- 4.4 Employees are expected to exercise due care and diligence in accepting gifts, entertainment and hospitality. If the gifts, entertainment and hospitality place the University under any obligation, or potential risk of an undue influence, then the employees must refuse and avoid it.
- 4.5 Value is not the only consideration. Employees must also take into account other factors which could be seen as an undue influence even if the gifts, entertainment and hospitality is of low value. In addition, employees shall also take into account the frequency and cumulative value of exchanges with the same giver or recipient. It is not acceptable to keep offering gifts, entertainment and hospitality to the same recipient or receive repeating gifts, entertainment and hospitality from the same giver, even if each individual gifts, entertainment and hospitality is of low value.
- 4.6 The Ketua Eksekutif and Chief Executive Officer, Sunway Education Group are responsible to exercise proper care and judgement in each case, taking into consideration pertinent circumstances, including the character of gift, entertainment and hospitality, its purpose, the position(s) / seniority of the person(s) providing the gift, entertainment and hospitality, the business context, reciprocity, applicable laws and cultural norms.

5. EXCEPTIONAL (LIMITED CIRCUMSTANCES AND SUBJECT TO APPROVAL)

Generally, all employees must not give or receive gift, entertainment and hospitality of any value unless it is legal, modest, reasonable and free of any intent, understanding or appearance that it will influence a business decision or government action. In appropriate circumstances, a modest gift, entertainment and hospitality maybe a thoughtful gesture of appreciation that legitimate to create goodwill and/or strengthen business and relationship.

Such courtesies are allowed if they are not lavish, appropriate and reasonable in the light of accepted business practices of the relevant businesses that the University operates in and is not intended to improperly influence the decisions of the person involved and must also be in accordance to the Basic Rules.

5.1 GIFTS

- 5.1.1 The University recognises the exchange of business courtesies, such as modest gifts during festive periods is customary and legitimate to create goodwill, and/or strengthen business relationships. The exchange of such courtesies is by the way of hampers, beverages, food, flowers, souvenirs and / or any other modest gift(s).
- 5.1.2 During major festive periods such as Chinese New Year, Hari Raya Aidilfitri, Christmas, Deepavali or other related festivals, exchange of modest and appropriate gifts are allowed subject to the approval of the management.

- 5.1.3 An employee who gives or receives a gift must obtain approval from the relevant approver.
- 5.1.4 In deciding to give, accept or decline, the approver is guided by the Basic Rules.
- 5.1.5 In the event the approver approves the acceptance of the gift, the treatment options for the gift are as follows:
 - Distribute and share the gift with employees.
 - Any other methods which are deemed appropriate by the approver.
- 5.1.6 In circumstances whereby the approver declines the acceptance of the gift, it must be politely returned to the sender, soonest possible, with an explanatory note on the University's Anti-Bribery and Corruption Policy.
- 5.1.7. In the absence of purchase receipt or invoices, the approver is responsible to anticipate the perceived value of the gift offered to them after considering the type, nature, market value, design, quantity, and quality of the gift.

5.2 OTHER EXCEPTIONS TO GIFT POLICY

- 5.2.1 Exchange of gifts within Sunway Group of Companies.
- 5.2.2 Gifts from Sunway Group of Companies to employees and their family members in relation to employees' welfare, an internally organised or recognised Company function, event and celebration.
- 5.2.3 Gifts bearing Sunway's logo that are given out as part of brand building or promotional activities. Usually to members of the public, delegates, customers, participants of trade shows, campaigns and exhibitions.

5.3 ENTERTAINMENT AND HOSPITALITY

- 5.3.1 The University will continue with its existing approval procedures in providing reasonable and appropriate meals, entertainment and hospitality to any third parties for legitimate business purposes/events. However, it must be in compliance with the Basic Rules.
- 5.3.2 For receiving entertainment and hospitality, the employee concerned is required to adhere to the approval procedures.
 - For the purpose of this policy, the actual or perceived value of receiving entertainment and hospitality shall be based on per pax or per occasion, whichever is relevant.
 - The actual or perceived value of per pax or per occasion is defined as follows:
 - a. Per pax: Gratification offered for an individual employee.
 - b. Per occasion: Gratification offered for a group of employees.

6. STRICT PROHIBITION

6.1 Notwithstanding the above, Sunway's employees are prohibited to offer or accept gifts, entertainment and/or hospitality from external parties if it involves the following:

- Any gift of cash or cash equivalents. Cash equivalent in the form of vouchers, discounts, coupons, shares, commission and others.
- Any act of soliciting gift, entertainment and hospitality for work or non-work-related matters.
- Any act of soliciting gift, entertainment and hospitality for any organisation, individual or personal welfare, sports or community or religious events which defies the Basic Rules.
- Any gifts, hospitality and/or entertainment, whether offered separately, as part of an activity, or in combination with other benefits.
- Any gift, entertainment and hospitality that would be illegal or in breach of local or foreign bribery and corruption laws.
- Loans.
- Any goods and services for the employee's personal benefit.
- Gifts, entertainment and hospitality of any nature that might affect our business and decision makings.
- Any gifts, entertainment and hospitality that comes with a direct / indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required ("quid pro quo").

6.2 The above list is not exhaustive and subject to further addition by the University from time to time.

7. DEALING WITH PUBLIC OFFICIALS

7.1 Any offering of gifts, entertainment and hospitality to a Public Officials must be approved by the Management.

7.2 The approvers must exercise proper care and judgment as well as observe the Basic Rules when offering gift, entertainment and hospitality to a Public Official.

7.3 The approvers must ensure that such gift, entertainment and hospitality is not violating any existing laws of the country specifically anti-bribery and corruption laws.

7.4 The University's employees are prohibited from providing gifts, entertainment or hospitality to public officials or their family/household members in exchange for future benefits or results.

8. RESPONSIBILITIES OF APPROVERS

The approvers of offering and receiving of gifts, entertainment and hospitality are to observe self-governance by applying the Basic Rules on receiving or giving any gift, entertainment and hospitality. In coming to a decision on the treatment of the gift, entertainment and hospitality, they are responsible to exercise proper care and judgment on each case.

9. MAINTENANCE OF ACCURATE RECORDS

- 9.1 All records of approval and any relevant supporting documents on receiving, giving, rejection, distribution, and return of every gift, entertainment and hospitality must be kept by the respective departments of employees involved and Financial Services Department.
- 9.2 It is important that the respective departments and Financial Services Department maintain complete and accurate gift, entertainment and hospitality records to fulfill their responsibilities to auditors, regulators and others.
- 9.3 The records must be produced as and when required by the audit department or by any other relevant authority.

10. MANAGEMENT'S RESPONSIBILITIES

The Management must lead by example and their key responsibilities are:

- 10.1 Communicate the No Gift policy to our business partners, customers, colleagues and employees.
- 10.2 Ensure all employees are trained in GEH Policy and procedures.
- 10.3 Maintain accurate records.
- 10.4 Take disciplinary action on non-compliance.
- 10.5 Encourage employees to report a concern or issues to the Management Team.
- 10.6 Respond promptly and effectively to concerns raised or when misconduct is discovered.
- 10.7 Notify Group Internal Audit when you are aware of a violation or potential violation of the law or the University's Anti-Bribery and Corruption policy.

11. EMPLOYEE'S RESPONSIBILITIES

- 11.1 Comply with the University's Anti-Bribery and Corruption Policy and GEH Policy.
- 11.2 Complete and submit Staff Declaration on Anti-Bribery and Corruption Form annually.
- 11.3 Obey all laws and regulations that apply to all employees.
- 11.4 Complete all required training to understand an employee's responsibilities.
- 11.5 Speak up if there are any concerns about work-related behavior that may be a violation of the law or the University's Anti-Bribery and Corruption Policy.
- 11.6 Do not give, promise or offer any benefit including gifts, entertainment or hospitality to a government official without the necessary pre-approvals.
- 11.7 Cooperate fully in all internal and external audits and investigations.
- 11.8 When in doubt as to whether it is an acceptable gift, hospitality and entertainment, he/she shall consult the Head of Department or the University Management.

11.9 Report to Group Internal Audit if there is any violation or potential violation of the law or the University's Anti-Bribery and Corruption Policy.

11.10 Some questions that may guide our employees to decide whether to offer, accept or reject the gift, entertainment and hospitality are as follows:

- Am I guided by the Basic Rules of the University's Anti-Bribery and Corruption Policy?
- Would it potentially impact or influence business objectivity?
- Am I to receive or give gifts, entertainment or hospitality frequently from or to a third party?
- Is it more than the nominal value?
- Is it modest, appropriate or reasonable?
- Have I obtained approval as required by the Policy?

12. EMPLOYEE'S DECLARATION

All the University's employees shall certify in writing on annual basis that they have read, understood and will abide by the University's Anti-Bribery and Corruption Policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the employee's tenure.

13. NON-COMPLIANCE

All employees are reminded that he/she will be subjected to stern disciplinary action, including dismissal as well as civil and criminal liability if he/she is found in violation of this policy.

14. REPORTING OF POLICY VIOLATIONS

Employees who encounter actual or potential violations of this policy are required to report their concerns immediately to their manager or reach out directly to the Head of Group Internal Audit via the Whistleblowing platform as follows:

Email to : whistleblowing@sunway.com.my
Direct line : +603 5639 8025
Fax to : +603 5639 8027
Write to : Head of Internal Audit Department
Level 4, Menara Sunway,
Jalan Lagoon Timur, Bandar Sunway,
46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.