

	Document Type: <b>POLICY</b>	Procedure / Title: <b>GIFTS, HOSPITALITY AND RELATED BENEFITS POLICY</b>	Document Number: TCIMS-004	
	Document owner:  <b>Legal Unit TNB Energy Services Sdn Bhd</b>		Revision:	<b>1</b>
			Date published:	<b>July 2024</b>

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**TITLE:**

**GIFTS, HOSPITALITY AND RELATED BENEFITS POLICY**

Document Number:

TCIMS-004

<b>Revision Number</b>	<b>Description</b>	<b>By</b>	<b>Verifier</b>	<b>Approver</b>
N/A	Development of policy	TNB Energy Services Sdn Bhd	Integrity Department	TNBES BOD

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## 1. Background

The practice of giving and receiving of gifts and hospitality is a normal and accepted part of business activity across the world. However, gifts and hospitality may be used by external parties to encourage a sense of obligation towards the giver and to prepare the way for a corrupt act. Negligence, inexperience and ignorance to the potential risk of corruption increases the likelihood of gifts and hospitality being used as a means of bribery.

Gifts and hospitality may also be utilised by personnel to corruptly build favours with prospective clients. Inappropriate gifts and hospitality given to a potential client may also cause offence or infringe on the client's own rules which could lead to exclusion from future business dealings.

As some societies have gift giving cultures and stress on the importance of good hospitality, it may prove difficult for personnel to know where to draw the line. Because of the high risks attached to gifts and hospitality, TNBES has developed a clear policy on these important areas, which is supported by good communications, guidelines, controls and procedures. Controls include thresholds for the value of gifts and hospitality provided and the type of gifts and hospitality allowed. These may be flexible to account for local customs and the varying costs of such expenses in different countries.

## 2. Objective

This policy has been prepared to provide clear guidelines and actionable steps for stakeholders to manage challenges regarding gifts, hospitality, and related matters such as political donations, charitable donations and sponsorships.

## 3. Scope

This policy is applicable to TNBES, the BOD and TNBES Personnel along with its Controlled Organisations, their BODs and personnel; also the BODs and personnel of Business Associates when they are acting on TNBES' behalf.

## 4. References

- a) ISO 37001:2016
- b) TNBES *Buku Prosedur Tata tertib*
- c) TCIMS Glossary of Terms
- d) TNBES Conflicts of Interest policy
- e) TNBES Integrity Pact Policy
- f) TNBES Whistleblowing Policy
- g) TCIMS Monitoring and Review Procedure

**Note:** TNB documents included in formulating this policy are:

- a) *Pekeliling Presiden Bil 02/2010 G&H*
- b) *Bil C13/2016 on External Stakeholders*
- c) Appendix 7\_9. Corp Comms Guidelines for Corp Souvenirs & Sponsorships
- d) TNB.SMK(GF) 1.19.1\_2009
- e) Corporate Comms Guidelines of Using the Slogan and Logo of the Gift Policy
- f) Guidelines of Using the Slogan and Logo of the No Gift Policy

## 5. Definitions

The following definitions are included in this policy. For additional definitions, see the TCIMS Glossary.

BOD	The Board of Directors of TNBES and the Boards of its controlled organisations.
Bribery	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA).</p> <p>In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organisation.</p> <p>‘Gratification’ is defined in the MACCA to mean the following:</p> <ul style="list-style-type: none"> <li>(a) <i>money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;</i></li> <li>(b) <i>any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</i></li> <li>(c) <i>any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</i></li> <li>(d) <i>any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</i></li> <li>(e) <i>any forbearance to demand any money or money's worth or valuable thing;</i></li> <li>(f) <i>any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and</i></li> <li>(g) <i>any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</i></li> </ul> <p>Bribery may be ‘outbound’, where someone acting on behalf of TNBES attempts to influence the actions of someone external, such as a Government official or client decision-maker.</p> <p>It may also be ‘inbound’, where an external party is attempting to influence someone within the TNBES such as a senior decision-maker or someone with access to confidential information.</p>
Business Associate	An external party with whom the organisation 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 (ISO 37001 definition). A Business Associate may also be referred to as a Third Party, particular if the associate is acting on behalf of the organisation.

Conflict of Interest	When a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making at TNBES.
Controlled Organisation	An entity where TNBES has the decision-making power over the organisation such that it has the right to appoint and remove the management. This would normally be where TNBES has the controlling interest (>50% of the voting share ownership), but it could be where there is an agreement in place that TNBES has the right to appoint the management, for example a joint venture where TNB has the largest (but still <50%) allocation of the voting shares.
Corporate Gift	Something given from one organisation to another, with the representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the company's brand. The gifts are given transparently and openly. Corporate gifts normally bear the company name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates. <b>See also <i>Personal Gift</i> below.</b>
Corruption	The Transparency International definition is used for the TCIMS: 'The abuse of entrusted power for personal gain.' See the definition for 'bribery', which is the term used primarily in the TCIMS.
External Provider	Any person or business that provides (or wishes to provide) products or services to or does business with TNBES, with or without a written contract. This may include suppliers, vendors, contractors, consultants and agents.
HOD	Head of Division/Department
Hospitality	The considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included.
Integrity Officer	Integrity Officer of TNBES
Personal Gift	Something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any forms of discount or commission, jewellery, decorations, souvenirs, vouchers or any other valuable items. <b>See also <i>Corporate Gift</i> above.</b>

Stakeholders	Individuals or groups concerned with, or affected by company policy and practice, including, but not limited to, personnel, customers, government bodies and parties, investors, joint venture partners, communities where TNBES has interests, suppliers, contractors
TCIMS	TNB Corporate Integrity Management System
TNBES Personnel	All individuals directly contracted to the company and its Controlled Organisations on an employment basis, including permanent and temporary employees and directors.

## 6. Responsibility

Integrity Officer has responsibility for the management, communication and enforcement of this policy.

“Management” includes formulation of the policy and related materials such as summaries, FAQs and clarification documents; management of internal stakeholders directly affected by the policy; managing policy updates; and document management, including maintaining the document repository and version control.

“Communication” includes informing and educating both internal and external parties on the policy; conducting training; answering specific queries on the subject matter; and disseminating information on policy changes.

“Enforcement” includes monitoring and reporting on the level of compliance to the policy by TNBES Personnel and the personnel of its Controlled Organisations; identifying areas of non-compliance; coordinating effective action; and providing reports to the relevant stakeholders (internal and external) on enforcement issues and outcomes.

## 7. Giving and receiving of gifts

**7.1** TNBES holds a ‘No Gifts’ Policy. However, there are certain exceptions as detailed in this policy. The principles governing the giving and receiving of gifts are that they must be (1) limited, customary and lawful under the circumstances; and (2) do not have or are perceived to have (by either the giver or the receiver) any effect on actions or decisions. Specifically, (a) there should be no expectation of any specific favour or improper advantages from the intended recipients; (b) the independent business judgment of the intended recipients must not be affected; (c) there must not be any corrupt / criminal intent involved; and (d) the giving out of the gift and hospitality must be done in an open and transparent manner.

**7.2** The regulation that prohibits TNBES employees from giving and receiving bribes is also stated in *Buku Prosedur Tata tertib* TNBES. “Receiving or giving or attempting to solicit or give bribes in cash, services, gifts or any other form, from and/or to any party that has a connection to the job.”

### 7.3 Giving Gifts to External Parties

- a) The normal form of gift giving allowed to external parties is a corporate gift, as defined in this policy. Personal gifts, also as defined in this policy, are prohibited.
- b) Three categories of corporate gift are recognised:
  - i. Regular corporate gift: for business partners, visitors and external guests.

- ii. Special corporate gift: for higher level or upper management events and guests
- iii. Premium corporate gift: for HRH YDP Agong / HRH Sultan / DYMM Raja / HRH Yang di Pertuan Besar / Tuan Yang Terutama / Chief Ministers / State Dignitaries
- c) The value of a corporate gift made available for general use should not be more than **RM200** per item ('the specified limit'). A bundle of gifts (including hampers) is considered as one item. Corporate gifts must be obtained from the Group Corporate Communications Division.
- d) The giving of corporate gifts of a value more than the specified limit requires specific approval. The guidelines for the company are as stated in **Appendix 1**.
- e) The giving of corporate gifts over the specified limit to government officials (both Malaysian and from other countries), their families and household members exposes TNBES to increased risks. Such gifts should only be given in exceptional circumstances and are subject to the approval by the respective HOD.
- f) All personnel are prohibited from giving cash gifts, including loans, to external parties such as vendors, customers, government officials or other people encountered **in the course of performing their duties with TNBES**, where this might be seen to create a Conflict of Interest, either for themselves or for the external party.
- g) Company directors wishing to give special or premium corporate gifts should go through the Company Secretary.

#### **7.4 Receiving Gifts from External Parties**

- a) TNBES Personnel and company directors are prohibited from asking for (soliciting) gifts from external parties.
- b) TNBES Personnel and company directors are prohibited from receiving personal gifts from external parties. Only corporate gifts below the specified limit as stated in **Appendix 1** are allowed.

##### **7.4.1 Corporate gifts**

- a) TNBES Personnel are only allowed to receive corporate gifts of insignificant value such as diaries, calendars, pens and notepads from external parties. Gifts of insignificant value refer to gifts with a market value below **RM200** per item ('the specified limit'). For corporate gifts under the specified limit, the recipient may keep the gift, and the gift does not have to be reported. Note that bundles of gifts such as a wall calendar, desk notebook & pen given together are counted as one item. Any corporate gifts of value over the level of the specified limit should be refused. If refusal is not possible, the gift must be reported to the person's HOD for logging using the **Gifts Log Form** included in **Appendix 2**; see section **7.4.5 Receiving of gifts that are difficult to refuse** below.

##### **7.4.2 Festive hampers and perishable items**

- a) Whenever festive hampers are delivered, the hamper should be refused if possible. If refusal is not possible, it shall be directed to the person within each Department designated to perform the task of managing the hampers (the 'designated officer') such as the site receptionist or security officer who will keep the hamper at a designated location till it can be dealt with. A letter should then be sent by the person the hamper was intended for to the sender, using the **Form Letter for Gift Senders** included in **Appendix 4**. The designated officer shall use the **Gifts Log Form** to record the

details of the sender and retain the hamper. At the end of the festive season, the details of the received hampers must be reported to the Integrity Officer by the designated officer using the completed **Gifts Log Form**.

- b) If the hamper includes perishable items, it may be distributed amongst the personnel present, but the identity of the giver should not be disclosed. Hampers containing only non-perishable items should be collected by charitable organisations. The form **Control Log for Uncollected Gifts/Hampers** included in **Appendix 3** must be completed by the designated officer of the location where the item was received. At the end of the festive season, the designated officer must send the completed **Control Log for Uncollected Gifts/Hampers** to the Integrity Officer for recording purposes.
- c) For perishable items, the same rules shall apply as for festive hampers.

**Note:** A flowchart showing the process to follow for festive hampers and perishable items is included in **Appendix 5**.

#### **7.4.3 Items delivered off-site**

No gifts or hampers of any kind from parties who have financial dealings with TNBES are to be delivered to personnel outside TNB premises. Unoccupied sites such as substations must not be used as a site where gifts or hampers can be exchanged. If gifts or hampers are delivered to personnel off-site, the item(s) must be refused and the incident reported to the HOD immediately. In the event the item(s) cannot be refused, the HOD must be notified immediately and the item delivered to the HOD's office at the earliest possible opportunity. The HOD shall update their **Gifts Log Form** accordingly and notify Integrity Officer via email. Integrity Officer can then decide what further action is required. The **Form Letter for Gift Senders** should also be sent by the HOD to the giver.

#### **7.4.4 Personal gifts**

- a) The receiving of personal gifts of any kind by TNBES Personnel from external parties **in the course of performing their duties with TNBES** is strictly prohibited.
- b) All personal gifts received must be declared to the person's HOD. The HOD shall update their **Gifts Log Form** accordingly and notify the Integrity Officer via email. The item should be returned, with the **Form Letter for Gift Senders** sent by the HOD to the giver.
- c) If a gift is received anonymously but later revealed to be a personal gift, the receiver must notify their HOD immediately. The HOD shall update their **Gifts Log Form** accordingly and notify the ID via email. The item should be returned, with the **Form Letter for Gift Senders** sent by the HOD to the giver.
- d) If the sender of the gift cannot be identified or located, the HOD shall update their **Gifts Log Form** accordingly and notify the Integrity Officer via email. The gift should be sent to the Integrity Officer for safekeeping and further action.

#### **7.4.5 Receiving of gifts that are difficult to refuse**

If a personal gift, or a corporate gift of value higher than the specified limit of **RM200**, is received in circumstances where it is difficult to refuse, for example a door gift at an Open House or prize won at an event they attended as a representative of TNBES, the employee is permitted to temporarily accept the gift. Where possible, the gift should then be returned to the giver before leaving the venue in a way which will not cause embarrassment. If this is not possible, the person must report it to their HOD



immediately and bring the gift to the office at the earliest opportunity for the HOD to take further action. The HOD shall update their **Gifts Log Form** accordingly and notify the Integrity Officer via email. The item may be returned; alternatively, it can be placed in a secure open location such as a cabinet for public display.

#### **7.4.6 Gifts to family members of TNB Personnel**

Family members of TNBES Personnel are prohibited from receiving personal gifts from any external party having financial dealings with TNBES, where the provision of the gift may influence the actions of the person **in the course of performing their duties with TNBES**. Where such instances occur, the TNBES Personnel involved should discuss the issue with their HOD to decide what action (if any) to take.

#### **7.4.7 Gifts for personal occasions**

- a) Under certain circumstances, gifts may be received by TNBES Personnel provided **the receipt of the gift is not connected to the duties of the person** and no sense of obligation towards the giver is created. Examples of acceptable gifts might include, but not limited to:
  - i. Gifts from colleagues for birthdays, retirement, transfers, engagements and weddings of employees;
  - ii. Gifts from spouses, children including in-laws and legally adopted children, parents including in-laws and siblings including in-laws;
  - iii. Gifts from relatives and friends for birthdays, weddings, engagements or weddings of employees or children, or any other religious or cultural festival;
  - iv. Gifts of low value that are easily perishable such as fruits, desserts, soft drinks, flowers and others;
- b) It is the responsibility of the recipient of the gift to ensure that nothing is received which might create a Conflict of Interest or bring their integrity into question. In the event that they are unsure, they should discuss the matter with their HOD at the earliest opportunity. The HOD shall decide if the gift creates an actual or potential Conflict of Interest. If a Conflict of Interest has been established, the HOD shall update their **Gifts Log Form** accordingly and notify the Integrity Officer via email. In the event that the item can be returned, the HOD may use the **Form Letter for Gift Senders** or some other communication to accompany the returned gift.

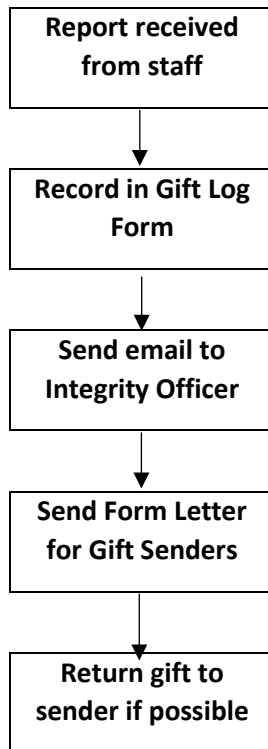
#### **7.5 Checklist for Personnel**

In summary of the above, personnel should check if any of the following apply to the item they have received. Is it:

- a) A personal gift?
  - b) A corporate gift of value over the specified limit?
  - c) An item delivered off-site?
  - d) A gift that was difficult to refuse which is over the specified limit?
  - e) A gift for a personal occasion which could give rise to a Conflict of Interest?
- If the answer to any of these questions is 'Yes', it must be reported to your HOD.

#### **7.6 HOD Flowchart**

**If a report is made to a HOD for recording, the flowchart below illustrates the process to follow.**



### **7.7 Gifts of large amounts to and from external parties**

- a) The company is permitted to give and receive gifts of substantial value to and from external parties under certain circumstances as explained below.
- b) The gift must not be given or received at a time when it could influence the outcome of a decision such as a contract bid, approval of a licence or resolution of an issue such as a tax dispute or investigation.
- c) The gift must also have the approval of:
  - i. Managing Director, if the value of each gift does not exceed RM 50,000; or
  - ii. the Board of Directors, if the value of each gift is RM 50,000 or more.

### **7.8 Items or equipment given as free samples**

For items or equipment that are given as samples, the HOD must approve the item(s), subject to the following rules:

- a) The gift must be given for free without any conditions or bonds, or expectation of a future obligation.
- b) Items or equipment must be inspected to ensure they have not been used before, its replacement parts are easily obtainable and it brings benefit to Company/ Department.
- c) The receiving of the gift will not cause the creation of a new post to manage it. In this situation, Heads of Department must ensure that existing employees are trained and the Department has sufficient personnel to manage the received gift.
- d) The Department's budget is sufficient to pay for the maintenance of the received gift.

### **7.9 Soliciting donations, sponsorship or free goods from external parties**

TNBES Departments (including Departments of Controlled Organisations), Associations, Clubs and Unions, and all TNBES Personnel are prohibited from directly soliciting donations, sponsorship or provision of free goods from parties external to the TNBES. Any requests for donations or sponsorship from TNBES to external parties must be channelled through the Human Resources Department for consideration and approval.

### 7.10 Discounts offered to TNB Personnel by contractors and suppliers

Any offers of discounts or special services by External Providers to TNBES Personnel must only be made within an official arrangement between TNBES and the External Provider which has been approved by the management. Such arrangements must be generally available to TNBES Personnel and the HOD must be notified by the recipient. Examples of discounts provided by external parties may include (amongst others):

- a) Home renovation
- b) Car maintenance
- c) Provision of electronic items and equipment
- d) Provision of materials, e.g. building materials
- e) Air tickets, hotel rooms, spa days and similar arrangements
- f) Catering for weddings, banquets and other special events

## 8. Giving and receiving of hospitality

**8.1** The practice of giving and receiving reasonable and proportionate hospitality is regarded as a normal business activity. However, TNBES are prohibited from receiving or giving hospitality where this may have some influence or bearing on the person performing their duties, resulting in a Conflict of Interest. Even the perception that illicit behaviour is occurring can be damaging and should be avoided.

### 8.2 General hospitality

- a) Hospitality involving external parties which falls within the guidelines of the table below can be conducted without prior approval by TNBES Personnel who have interactions with external parties as part of their role at TNBES.
- b) Hospitality does not require pre-approval if it is all of the following:
  - i. Business-related, i.e. there is a direct relationship between the business activity and the people giving and receiving the hospitality;
  - ii. Hospitality is not provided to spouses or other non-business guests;
  - iii. A TNBES host of the appropriate seniority is present at the occasion. ‘Appropriate’ in this case is defined as a person of the same job grade as the threshold, or one level below; and
  - iv. The cost of the hospitality does not exceed the thresholds in the table below.

Level	Job Grade / Position	Threshold: Malaysia (per event)	Threshold: Overseas (per event)
Non-Executive / E07 / 08		Up to RM 50 per head	Up to USD 50 per head
Level 5	E12/13 & E14/15	Up to RM 100 per head	Up to USD 50 per head
Level 4	E16/17	Up to RM 300 per head	Up to USD 150 per head
Levels 2 & 3	M15/16; HOD/	Up to RM 500 per head	Up to USD 250 per head
Level 1	Managing Director	Up to RM 1,000 per head	Up to USD 500 per head

- c) Conversely, prior written approval by the HOD is required if any of the following occur:
  - i. The cost of the hospitality exceeds the thresholds as set out in the table above;

- ii. The activity is not directly related to business. For example, sponsored leisure trips or shopping;
- iii. Any non-business guests of the invitee(s) are included.
- d) Approval may be by email, text message (SMS) or other forms of electronic messaging, provided the person is able to produce the approval on request.
- e) If prior written approval is not requested, TNBES Personnel must submit a notification within three (3) working days of the giving or receiving of such hospitality to their HOD. Justification of the hospitality must be included.
- f) Reimbursement of hospitality is subject to approval by the HOD.
- g) Hospitality should not be given to the same recipient or group of recipients frequently and over an extended period. Similarly, hospitality should not be received from the same giver or group of givers on a frequent basis or over an extended period.

### **8.3 TNBES Personnel receiving hospitality from friends and relatives**

- a) TNBES Personnel are free to accept hospitality from friends and relatives, provided the hospitality **does not influence the actions of the person** in the course of performing their duties with TNBES.
- b) If hospitality is provided which might influence (or appear to influence) the actions of the person, they should discuss the matter with their HOD and if necessary make a Conflict of Interest declaration.

### **8.4 TNBES Personnel attending Open House and other events organised by External Providers**

TNBES Personnel are permitted to attend open house and similar events, under the following conditions:

- a) An official invitation is issued, with the HOD aware of the event.
- b) The event is not held at the home of an External Provider.
- c) Hospitality is not lavish, and the TNBES Personnel receives treatment which is no different from hospitality provided for other guests. Door gifts are restricted to corporate gifts below the specified limit only. Personal gifts are prohibited. All personal gifts or corporate gifts above the specified should be refused, or returned before leaving the venue. If refusal is not possible, the procedure for **Receiving of gifts that are difficult to refuse** in section 7.4.5 above must be followed.

### **8.5 TNBES Personnel travelling on business**

- a) All expenses for personnel travelling on TNBES business shall be paid for by TNBES unless otherwise specified in the relevant work or service contract. Offers by external parties to pay for all or part of such travel expenses which are not covered by a contractual arrangement should be refused. In cases of doubt or uncertainty, the arrangements must be discussed with the HOD prior to travel commencing.
- b) Personnel travelling on TNBES business where an assessment or decision concerning an external party is involved, such as a factory audit, site inspection or a quality assessment, must not receive gifts of any kind from the external party prior to, during or after the visit. Hospitality should be refused wherever possible. Where it is not practical to refuse, for example an invitation to the site canteen during an inspection, hospitality must be kept to the minimum.
- c) Personnel attending conferences and seminars on behalf of the company should have all expenses (including attendance fees) paid for by TNBES. Any sponsorships proposed by External Providers must be preapproved by the respective HOD.

## **8.6 Government officials**

- a) TNBES may pay for reasonable and proportionate travel expenses for government officials, where the reason for travel is directly related to TNBES' business. TNBES must not pay for luxury travel such as first-class tickets or penthouse suites at lavish hotels. Payment of any travel expenses for government officials not directly related to TNBES' business must be modest, approved by the HOD, and must not include family or household members.
- b) In the event that TNBES Personnel are hosting government officials, care must be taken to ensure that the hospitality provided is reasonable and proportionate and does not generate a sense of obligation towards TNBES. Hospitality must be in proportion to the standard of living of the officials and of a nature which would not raise concerns should it become public knowledge.
- c) Under some forms of international legislation, employees of state owned enterprises (SOE) are considered to be government officials. TNBES Personnel should bear this in mind when hosting SOE employees, including government-owned GLCs.

## **8.7 Prohibited activities**

- a) In the course of their duties, TNBES Personnel are prohibited from either paying for, receiving or participating in any activities that might bring the company into disrepute. Such activities include, for example:
  - i. Illicit drugs
  - ii. Intoxication by alcohol
  - iii. Gambling
  - iv. Hostess entertainment
  - v. Karaoke with the presence of guest relations officers or equivalent
  - vi. Massages
  - vii. Unregulated violent sports
- b) TNBES Personnel are expected to exercise good judgement in such matters, and should discuss with their HOD any concerns they might have regarding a request or offer from an external party to engage in activities that might reasonably be considered to bring the company into disrepute.

## **9. Charitable donations, sponsorships and other community benefits**

- 9.1** TNBES takes its responsibility to the wider community seriously, and provides both financial and non-financial support for recognised causes. However, such donations and benefits may be misused by certain parties as a subterfuge for bribery. It is therefore essential that TNBES Personnel ensure that donations and sponsorships are used for the purposes intended, that is to the benefit of the wider community, and not as a cover for bribery or prohibited political payments.
- 9.2** Charitable contributions, sponsorships and community benefits for external parties must be made according to the Group Corporate Communications Division policy to ensure consistency and uniformity across the organisation.

## **10. Stakeholder engagement events**

- 10.1** As the national power producer, TNBES enjoys positive relations with a wide range of external stakeholders, both national and international. These stakeholders may from time to time wish to visit TNBES premises, for which an appropriate event with suitable gifts should be arranged. Equally,

there are occasions when TNBES may wish to proactively engage with stakeholders such as industry regulators, members of the media, community groups, Non-Government Organisations (NGOs) and other influential persons and organisations. For such engagement exercises, the guidelines included in **Appendix 1** are provided to enable the TNBES management to conduct successful events whilst avoiding situations which could compromise the reputation of the company.

- 10.2** Stakeholder engagement events must not be used as a means of providing lavish entertainment or the giving of extravagant gifts to government servants who operate in a decision-making capacity with relation to TNBES' operations. The instructions set out in **Sections 7 and 8** of this policy must be followed when conducting stakeholder engagement. This requirement applies to activities both in Malaysia and overseas. The guidelines for the company are included in **Appendix 1**.

## **11. Political donations**

- 11.1** It is TNBES' policy not to make financial or in-kind contributions to political parties, political party officials or candidates for political office.
- 11.2** There may be occasional circumstances where TNBES wishes to make a political contribution in a country where such contributions are permitted under law. In such an event, the contribution must be approved by the BOD.
- 11.3** If a contribution is made, it must be allowed under the relevant laws and made without any expectation or promise of favourable treatment towards the company as a result.
- 11.4** Any such payments must be made to an official bank account in the country where the person or party resides. No offshore payments are allowed. All such payments must be accurately reflected in TNBES' accounts and disclosed in the annual report.
- 11.5** Good faith payments to a government entity required by a contract or law are permitted, provided the payment is made to the official bank account of the government.
- 11.6** Use of TNBES facilities, equipment and resources by political parties for any political campaign or political party function is not permitted except by prior permission by the BOD.
- 11.7** Any contributions or expenditures made by TNBES Personnel given for the benefit of a political party, party official or candidate for political office shall not be reimbursed.

## **12. Support Requests**

- 12.1** 'Support requests' are requests made by an influential individual or organisation asking for special privileges to be given to a certain person, company or organisation. Often, it requests that a named External Provider be awarded a contract, whether or not the supplier is the most appropriate for the job; or a named person be given a certain position of employment. The request may be made by letter, fax, email, phone call, electronic text messages, in person, or by some other method. Support requests normally come from a powerful source and can be difficult to refuse. They can cause significant problems for the company as it may result in an unsuitable party being given an important contract, or an unqualified person being given an influential position.
- 12.2** If a support request is received, the recipient should politely acknowledge the request but make no promise to act on it. The request should then be passed to the Integrity Officer and under normal circumstances no further action will be taken.

**12.3** In the event that the requester is persistent, or has an exceptionally high position in the national landscape, TNBES management may wish to raise the matter with the BOD for further consideration. Under no circumstances should the request be allowed to influence TNBES' decision-making process in any way.

### **13. Facilitation payments**

**13.1** A facilitation payment is a payment or other provision made personally to an individual in control of a process or decision, in order to secure or expedite a routine or administrative duty or function. Facilitation payments are requested by government officials, but the issue may also emerge in the private sector, for example a manager holding up processing an invoice until a payment has been received.

**13.2** TNBES prohibits both the giving and receiving of facilitation payments of all kinds. TNBES Personnel are also prohibited from offering, promising or requesting such payments.

**13.3** If a facilitation payment is demanded, TNBES must report the matter to their HOD. The HOD must then discuss the issue with Integrity Officer to determine what further steps to take.

**13.4** Only in the event of a person being at risk of harm may a facilitation payment be made. In such an incident, the payment should be made but the situation should be reported immediately to the HOD. The HOD should then report the situation to Integrity Officer to identify what action should then be taken.

### **14. Violations**

Disciplinary action shall be taken against any TNBES Personnel who is proven to have violated this policy. This may include dismissal. The offence may also be escalated to the relevant enforcement authorities for further action.

### **15. Legal precedence**

In the event that the laws of any given country include requirements not included in or met by this policy, the law of the country shall take precedence. It is therefore necessary that all TNBES Personnel engaged in the practice of giving and receiving gifts and/or hospitality are aware of their local laws governing this activity and ensure compliance.

### **16. Waiver**

Any deviation or waiver from this policy must be approved by the BOD.

### **17. Review and Inspection**

The Integrity Officer will review the suitability of this policy from time to time, in accordance with the *TCIMS Monitoring and Review Procedure*.

## Appendix 1: Guidelines for Corporate Gifts and Stakeholder Engagement

External Stakeholder	Gift levels	Approval Event Cost Limit	Framework and Activity Suggestions
<p><b><u>1. VIP Category A - Platinum</u></b>  <b>Definition:</b> VIP Dignitaries who lead the State; senior foreign dignitaries; stakeholders directly involved in formulating Government policies and procedures affecting TNBES' operations.</p> <p><b>Examples:</b> HRH YDP Agong; HRH Sultans; DYMM Raja; HRH Yang di Pertuan Besar; Prime Minister / Head of State; Cabinet Ministers; Chief Ministers.</p>	<p>Corporate gifts of value up to <b>RM2,000</b> may be provided. ('Premium corporate gifts') (per item).</p>	<p>1) Managing Director - for the entire expenditure of the activity <b>not exceeding RM50,000</b> (Fifty Thousand Ringgit) per event.</p> <p>2) BOD - for the entire expenditure of activities <b>exceeding RM50,000</b> (Fifty Thousand Ringgit) per event.</p>	<p>Recreation or recreational activities that are compatible with VIPs.</p> <p>Activities that can build consumer trust arising from VIP users of TNBES products and services.</p> <p>TNBES activities which support strategic objectives, which are enhanced by the support and involvement of VIPs</p> <p>Involvement in VIP activities where TNBES will be seen as contributing to and supporting the program.</p> <p>Activities that build working relationships such as visits to a TNBES installation by officials from relevant ministries and government agencies.</p>
<p><b><u>2. VIP Category B - Gold</u></b>  <b>Definition:</b> VIP dignitaries (including foreign dignitaries) and government officials who are interested in TNBES' operations.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• Heads of Federal / State government agencies / agencies interested in or affecting TNBES' operations.</li> <li>• Heads of Media.</li> <li>• Heads of major Non-Government organization.</li> </ul>	<p>Corporate gifts of value up to <b>RM1,000</b> may be provided. ('Special corporate gifts') (per item).</p>	<p>2) Managing Director - for the entire expenditure of the activity <b>not exceeding RM50,000</b> (Fifty Thousand Ringgit) per event.</p> <p>3) BOD - for the entire expenditure of activities <b>exceeding RM50,000</b> (Fifty Thousand Ringgit) per event.</p>	<p>Activities to share up-to-date information, products and services with related agencies.</p> <p>Celebratory events with government ministries and agencies, strategic and non-governmental organizations.</p> <p>Giving personalized gifts to support TNBES interests at strategic times.</p>



External Stakeholder	Gift levels	Approval Event Cost Limit	Framework and Activity Suggestions
<ul style="list-style-type: none"> <li>Individuals who lead industry leaders (Industry Leaders).</li> <li>Foreign Embassy Premises.</li> </ul>			
<p><b><u>3. Corporate and industrial corporations</u></b></p> <p><b>Definition:</b> major industry and commercial users.</p>	<p>Corporate gifts of up to <b>RM1,000</b> may be provided. ('Special corporate gifts') (per item).</p>	<p>1) Managing Director - for a total expenditure of <b>not exceeding RM50,000</b> (Fifty Thousand Ringgit) per event.</p> <p>2) BOD - for the entire expenditure of the activity <b>exceeding RM50,000</b> (Fifty Thousand Ringgit) per event.</p>	<p>Conduct information sharing activities.</p> <p>Visit TNBES assets to provide customers with confidence in TNB's ability to provide the necessary electricity.</p> <p>Build good relation at TNBES headquarters and customer headquarters by providing appropriate recreational activities.</p> <p>Awarding corporate souvenirs as a tribute to corporate and industry users.</p>
<p><b><u>4. Influential organizations</u></b></p> <p><b>Media</b></p> <p><b>Definition:</b> influential information-based organisations including print media, electronic media, bloggers and other social media activists.</p> <p><b>Examples:</b> National press, local newspapers, influential bloggers.</p>	<p>Corporate gifts of up to <b>RM200</b> may be provided. ('Regular corporate gifts') (per item).</p>	<p>1) Managing Director - for a total expenditure of <b>not exceeding RM50,000</b> (Fifty Thousand Ringgit) per event.</p> <p>2) BOD - for the entire expenditure of the activity <b>not exceeding RM50,000</b> (Fifty thousand Ringgit) per event.</p>	<p>Mini dialogue / briefing with media representatives, non-governmental organizations (NGOs) and community representatives.</p> <p>Entertainment arrangements with media, non-governmental organizations (NGOs) and community representatives.</p> <p>Festive greeting cards to media management, NGOs, representatives of relevant societies.</p> <p>Recreation with the media.</p> <p>Visit to TNBES' assets to provide customers with</p>

External Stakeholder	Gift levels	Approval Event Cost Limit	Framework and Activity Suggestions
<p><b><u>Non-Government Organization (NGO)</u></b></p> <p><b>Definition:</b> influential society or registered association established to represent a cause or group of stakeholders</p> <p><b>Example:</b> Federation of Manufacturers Malaysia (FMM), Real Estate Housing and Development Association (REHDA).</p> <p><b><u>Local People's Association</u></b></p> <p><b>Definition:</b> association established to represent the interests of people residing in a specific location.</p> <p><b>Examples:</b> Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK), Residents Association (RA).</p>			<p>confidence in TNBES' ability to provide the electricity supply.</p>
<p><b><u>5. Customers and local communities based on activity targets</u></b></p> <p><b>Definition:</b> activities that build good relationships between TNBES and local communities.</p> <p><b>Examples:</b> Customers who visit TNB's premises / site,</p>	<p>Corporate gifts of up to <b>RM200</b> may be provided. ('Regular corporate gifts') (per item).</p>	<p>1) Managing Director - for a total expenditure of <b>not exceeding RM50,000</b> (Twenty Thousand Ringgit) per event.</p> <p>2) BOD - for the entire expenditure of the activity <b>exceeding RM50,000</b> (Fifty</p>	<p>Programme with customers</p> <p>Activity promoting TNBES products.</p> <p>Community programs with local communities.</p>

External Stakeholder	Gift levels	Approval Event Cost Limit	Framework and Activity Suggestions
targeted villagers / parks.		thousand Ringgit) per event.	

## **Appendix 2: Gifts Log Form**

### **Receipt of Gift/Hamper Form**

Site: \_\_\_\_\_

No.	Date of Receipt	Name & Address of Sender	Name & Department of Receiver	Signature of Receiver	Remarks

**Note:** Hampers and Gifts that remain uncollected are to be returned to the sender or be sent to a welfare centre.

**Appendix 3: Control Log for Uncollected Gifts/Hampers**

Site: \_\_\_\_\_

No.	Date of Receipt at TNB Location	Date of Collection by Charitable Organisation	Name & Signature of Collecting Charitable Organisation Representative

## **Appendix 4: Form Letter for Gift Senders**

**To:** Gift Sender

**Re:** TNBES' Policy on Gifts

First of all, I, on behalf of TNBES would like to express my thanks and gratitude to you for your gift/hamper received on date ----- regarding \_\_\_\_\_ (amend as appropriate).

However, TNBES' Anti-Bribery Policy clearly states that TNBES employees are not able to accept/send personal gifts in any shape or form, to/from any external party that may have business interests or who have any relation to formal TNBES duties.

Therefore, TNBES requests your co-operation to avoid sending gifts/hampers in any shape or form in the future.

Moreover, please be informed that any gifts/hampers that are received by TNBES will be returned to you, or be given to any welfare organisations who need it more, such as old folks' homes, orphanages, disabled persons, and other suitable parties.

We appreciate your co-operation in supporting TNBES' efforts to further empower good governance through practicing a culture of integrity in our business ethics and everyday operations.

Thank you.

***"BETTER. BRIGHTER."  
"TNBES PRACTICES A NO GIFT POLICY"***

.....

The Recipient

## Appendix 5: Managing Festive Hampers Flowchart

