



## BUMIARMADA

### Gifts & Hospitality (“G&H”) Policy

As Directors, Officers, and Employees of Bumi Armada Berhad, its subsidiaries, joint ventures and majority owned or controlled affiliates (“Bumi Armada”), we must conduct ourselves in accordance with our standards set out in Bumi Armada’s **Code of Business Conduct & Ethics**, and **must** comply with all applicable laws (for example the MACC Act) when we engage with our stakeholders, from customers, suppliers, other business partners, Government Officials and Politically Exposed Persons (*as defined in Bumi Armada’s Anti-Bribery and Corruption Policy*). Joint venture companies in which Bumi Armada is a noncontrolling co-venturer and associated companies where Bumi Armada has no management control are encouraged to adopt similar principles and standards.

#### **Objective of the Policy**

This Policy has been prepared to be in line with Bumi Armada’s Code of Business Conduct and Ethics (“Code”), and the commitment to conduct business free from any corruption offence under the laws of the various jurisdictions in which Bumi Armada operates within.

This general rule is intended to encourage good stewardship of Bumi Armada’s resources and merit-based business decision making by Bumi Armada and its business partners. **There is a Zero tolerance towards the violation of this Policy.** Violations to this Policy shall be subject to disciplinary action.

#### **1. Application of the Policy**

This Gift & Hospitality (G&H) Policy outlines the basic rules and approval requirements that govern all G&H provided by or on behalf of Bumi Armada to customers, potential customers, other outside parties, and all G&H provided to Employees by any existing or potential Business Partner.

#### **2. Rules Governing G&H**

Bumi Armada may spend reasonable amounts of money on bona fide G&H for outside parties that is directly related to the promotion, demonstration or explanation of Bumi Armada’s services or incurred pursuant to the execution or performance of a contract.

For instance, under appropriate circumstances, acceptable expenditures can include the provision of inexpensive gifts (such as Company-branded promotional items and modest gifts **up to RM500 or USD125** in value), reasonable meals and entertainment.

To avoid the appearance of impropriety and to ensure the appropriateness of such expenditures, G&H provided on behalf of Bumi Armada to current or potential customers, or other parties must have a legitimate purpose and be in accordance with the specific requirements set forth in this G&H Policy. **G&H to Government Officials (“GOs”) and Politically Exposed Persons (“PEPs”) are strictly prohibited** except for company promotional activities such as launching events, conferences etc. Modest gifts, reasonable meals and entertainment are acceptable and subject to the CFO’s approval.



## BUMIARMADA

While each instance of G&H must be considered on its own merits, the following principles should guide an Employee's conduct. Appropriate G&H expenditures must be:

- Openly incurred, that is, no effort is made to conceal them
- Reasonable, customary and appropriate (in the context of the local economy where they are to be provided and consistent with applicable laws)
- Given without an appearance of impropriety (for example, G&H should **not** be offered to decision-makers who are presently evaluating a proposal involving Bumi Armada)
- Should not involve any cash payment – to only use credit cards, cheques or direct payment by the finance department
- Entertainment must be planned in advance and approval must be obtained for any entertainment above RM500 or USD125 (CFO approval is needed by Employees and CEO to obtain the relevant approvals from the Chairman).
- Any impromptu entertainment can be carried. A clear justification and approval have to be sought after the event.
- The most senior Bumi Armada personnel is to pay for any entertainment
- Supported by adequate, accurate documentation (e.g. invoices, receipts)
- Accurately recorded in Bumi Armada's books and records

G&H expenditures **may not**:

- Be offered or provided in return for any favor or benefit to Bumi Armada or to improperly influence a decision
- Impose a sense of obligation on the recipient (internal and external)
- Be lavish, excessive or too frequent
- Involve non-Bumi Armada related activities that overshadow the business-related purpose of the G&H
- Involve first or business class airfare or accommodation in five-star hotels
- Be provided to GOs or PEPs (except for company promotional activities such as launching events, conferences etc. Modest gifts, reasonable meals and entertainment are acceptable and subject to the CFO's approval)
- Be in the form of cash gifts (or cash equivalents, such as gift cards) or advance payments
- Be paid for out of personal or non-Bumi Armada funds of any type without Bumi Armada reimbursement
- Violate local law (including any internal regulations governing the recipient's conduct, such as ethics rules or reporting requirements for GOs or PEPs), Bumi Armada policies or the Code of Business Conduct/Policies of the recipient's employer
- Be solicited by anyone at Bumi Armada in exchange for steering or directing business to another person or company.



## BUMIARMADA

**We must take special care to avoid even the appearance that Bumi Armada is providing stakeholders (including GOs or PEPs) with any economic benefit for the purpose of influencing them improperly to obtain any type of advantage.**

If a specific project or approval is pending before a recipient (or the recipient's employer), gifts or entertainment to such individuals is strictly prohibited.

All gifts **received above** the threshold of RM500 or USD125 are to be handed over to Corporate Compliance Department. Line Managers are to keep track of gifts received by Employees which are below the RM500 or USD125 thresholds.

An Employee of Bumi Armada shall never receive or accept gifts of any kind that are offered from any parties it has dealings with, or considers engaging, such as vendors, suppliers, customers, distributors, resellers, agents, potential Employee and business partners (collectively, "Business Partners"), or any other individual or organization no matter the value, at any time, on or off the work premises:

- This includes vendors or potential vendors, or suppliers provided food, beverages, meals or entertainment such as sporting events
- Any business courtesy offered such as product discount, rebates, waivers and other forms of monetary incentives if the benefit is not extended to all Employees
- This gift policy also strictly prohibits all Employees from accepting cash or loans from parties in connection with Bumi Armada business

### **3. Additional Considerations Governing Travel**

Site visits, offsite meetings and other **non-business related** transactions that involve the payment or reimbursement of travel and travel-related expenses (including transportation, accommodations, meals and incidental expenses) can pose significant compliance-related risks, particularly when provided for the benefit of individual GOs or PEPs. Thus, transactions such as paying travel-related expenses to attend a Bumi Armada-sponsored event or to visit a Bumi Armada facility for GOs or PEPs are prohibited for non-business related travel.

For any **business related** travel, Bumi Armada may reimburse their travel expenses as per entertained personnel company's travel Standard Operating Procedure ("SOP"). Proper supporting documents are required for reimbursement e.g. invoices, receipts and must be properly recorded in Bumi Armada's books.

Along with conforming to the general rules governing G&H, the existence of the following considerations will support the decision that a travel-related expense is appropriate:

- Travel planning, logistics, guidelines and allowable expenses Bumi Armada incurs for the benefit of an outside party should be similar to the requirements that apply to Bumi Armada Employees
- The destination and setting are in line with the business justification for the travel. However, the payment of any sightseeing or tourist activities are prohibited



## BUMI ARMADA

- Travel and related expenses only cover the costs related to an outside party's direct travel to and from the location of the event and only for its duration, including incidental and local transportation associated with the person's participation in meetings or other business-related activities with Employees
- Accommodation and related expenses (including reasonable expenditure for meals) are only incurred during the period of the meeting, facility visit, seminar or event or while traveling to those activities.
- Payments to cover expenses are made directly to vendors (e.g. airlines, hotels, car rental companies) and not the outside party.

### 4. Cash Gifts

Bumi Armada prohibits the giving of cash (or cash equivalents, such as gift cards) payments except for during company sanctioned events, such as the distribution of gift cards or vouchers to shareholders during Bumi Armada's Annual General Meeting ("AGM").

No approval will be granted for any cash payments. Employees are strictly prohibited from accepting cash or loans from parties in connection with Bumi Armada business.

### 5. Approval Thresholds

Subject to meeting the requirements sets out in this Policy, G&H received, or given to current or potential customers or other parties are based on the following thresholds:

Type of G&H and value (RM)	Approving Authority			
	Line Manager	BU / Department Head	Head of Compliance	Chief Financial Officer
<b>Gifts:</b> <i>Giving or receiving:</i> Value <RM500 or USD125	Notify	Approve	Not Required	Not Required
	<i>Line Manager to keep track of such gifts (i.e. through a register) and monitor the frequency of events involving Employees</i>			
<i>Giving and receiving:</i> Value >RM500 or USD125	Notify	Approve	Approve	Approve
	<i>In the first instance, Employee should politely decline the gift. If this is not possible, Employee to accept the gift and hand over to Corporate Compliance or Human Resource Department at the Regional Offices</i>  <i>When an Employee is unable to determine the value of the G&amp;H, he/she should state the estimated value and where possible, provide the basis of the estimate</i>			



# BUMI ARMADA

Type of G&H and value (RM)	Approving Authority			
	Line Manager	BU / Department Head	Head of Compliance	Chief Financial Officer
<b>Entertainment: Giving or Receiving: only reasonable amounts</b>	<b>Not Required</b>	<b>Approve</b>	<b>Approve</b>	<b>Approve</b>
	<i>All entertainment expenses are to be paid by the Most Senior Employee in the party/group. It is not acceptable for a more Junior Employee to pay on behalf of a Senior Employee.</i>			
	<i>Line Manager and BU / Department Head will be held accountable for any expense entertainment approval without Compliance and CFO's approval</i>			

**Strictly no gifts to and entertainment of GOs and PEPs (except for company promotional events such as launching, conference etc. Modest gifts, reasonable meals and entertainment are acceptable and subject to the CFO's approval)**

Where the declarant or the person offering the G&H is also the approver or the person to be notified, then the said person shall seek approval or fulfill the notification requirement by going one level up, i.e. to the Reporting Manager.

## 6. Procedures for Obtaining Approval

Where approval is required, the Employee proposing the G&H (the Employee Sponsor) must submit a completed G&H Disclosure Form via the intranet (Galleon). The link to the form can be found in the BMS Portal. Details to be included in the form are as follows:

- (i) The name and title of the Employee(s) submitting the request (together with **all** other Employees who will be hosting / attending the event (Entertainment Given)
- (ii) Name, title / position and Company/Organization of all individuals to receive G&H as well as those accompanying the recipient(s)
- (iii) A description of the proposed G&H, including activity(ies) involved (example dinner, lunch), specific per person expense(s) to be incurred (including fees, registration, etc.), date(s), anticipated location(s), etc.
- (iv) The business purpose and justification for the proposed G&H;
- (v) Bumi Armada's relationship with the proposed recipients, including any pending business (example a current agent, prospective customer, etc.) or existing contractual obligations (example required site visit);



## BUMIARMADA

(vi) Anticipated method of payment (e.g. credit card, wire transfer, etc.)

Any additional relevant facts, for instance:

- If the G&H has been proposed or requested by an outside party, stipulate how and by whom (name, title/position and company/organization)
- If a proposed recipient has previously received G&H from Bumi Armada over the last 12 months, describe that G&H, including the dates, locations and costs

The Employee Sponsor for the proposed G&H bears the responsibility for planning the proposed activity(ies) and estimating the associated costs.

When disclosing or approving G&H for an outside party, the Employee Sponsor and the relevant approving authority should assess the appropriateness of the courtesy against the criteria outlined in Section 2 above.

### **7. Informing of this Policy**

Employees are required to professionally inform vendors, potential vendors and all other stakeholders of this G&H policy, and the reasons Bumi Armada has adopted this Policy.

### **8. Recording and Reimbursement**

All expenses related to G&H must be accurately and completely recorded. In accordance with Bumi Armada's relevant policies and procedures, any expense incurred on behalf of Bumi Armada, must be accompanied by the necessary supporting documentation, including any invoices and receipts. Expense claims with insufficient information or without prior approval will be rejected by the Payroll / Finance Departments.

### **9. Registration of Gifts and Hospitality**

All G&H Forms shall be recorded and stored by the Corporate Compliance Department in a G&H Register. Details of the Register will be furnished to the CEO and CFO on a quarterly basis.

### **10. Supplemental Nature of Policy**

This policy is to supplement Bumi Armada's Code of Business Conduct and Ethics, standards, values and policies in the Employee handbook and in other Bumi Armada policies and documents. If any Employee has question about or needs clarification in relation to this policy, the Employee should check with their Line Manager, Head of Department or Business Unit or the Corporate Compliance Department.



## BUMIARMADA

If Line Manager or Head of Department is uncertain, Corporate Compliance Department is the arbiter of the gift policy to ensure consistent Employee treatment across Bumi Armada. This policy supersedes any earlier policy effective from 1<sup>st</sup> June 2020.

All Employees must acknowledge that they have read and understood Bumi Armada's Gift & Hospitality Policy.

### **11. Links to documents**

- Code of Business Conduct and Ethics
- Anti-Bribery and Corruption Policy
- G&H Disclosure Form

### **12. In summary**

- The Most Senior Employee is to pay for all entertainment expenses. Only JG19 and above are permitted to entertain. Employees of a lower grade must obtain exceptional approval with clear justification from Corporate Compliance Department and CFO.
- No cash payments as Gifts.
- Business Unit or Department Head is responsible to ensure compliance of this Policy within his/her Business Unit of Department.
- Any request for exceptions: Written request must be made to Corporate Compliance Department for their onwards action with CFO.
- No Gifts and Hospitality to GOs or PEPs (except for company promotional activities such as launching events, conferences etc. Modest gifts, reasonable meals and entertainment are acceptable and subject to the CFO's approval).