



DXN HOLDINGS BHD.

Registration No.: 199501033918 (363120-V)

DONATION AND SPONSORSHIP POLICY

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Donation and Sponsorship Policy

1. DEFINITIONS

For the purpose of this Policy, the following definitions and interpretations shall apply in this Policy: -

Associates	<p>An external party with whom the Group has established or plans to establish some form of business relationship. This includes vendor, suppliers, contractors, sub-contractors, consultants, agents, outsourcing providers, representatives and other intermediaries who are performing work or services for or on behalf of the Group.</p> <p>Associate (in relation to a person) is defined in the Malaysian Anti-Corruption Commission (MACC) Act 2009 to mean the following: -</p> <ul style="list-style-type: none">(a) any person who is a nominee or an employee of such person;(b) any person who manages the affairs of such person;(c) any organisation of which such person, or any nominee of his, is a partner, or a person in charge or in control of, or has a controlling interest in, its business or affairs;(d) any corporation within the meaning of but not limited to the Companies Act 2016 [Act 777], of which such person, or any nominee of his, is a director or is in charge or in control of its business or affairs, or in which such person, alone or together with any nominee of his, has or have a controlling interest, or shares to the total value of not less than thirty per centum of the total issued capital of the corporation; or(e) the trustee of any trust, where:-<ul style="list-style-type: none">(i) the trust has been created by such a person; or(ii) the total value of the assets contributed by such person to the trust at any time, whether before or after the creation of the trust, amounts, at any time, to not less than twenty per centum of the total value of the assets of the trust. <p>Notwithstanding the above definitions, DXN distributors are independent distributors and the relationship between DXN and its independent distributors shall in no way fall within the above definition of Associates.</p>
Board	Board of Directors of DXN
CEO	Chief Executive Officer of DXN
CFO	Chief Financial Officer of DXN
Company or DXN	DXN Holdings Bhd.



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Directors	Directors of DXN including independent and non-independent directors and executive and non-executive directors.
Employees	All individuals directly employed by DXN whether on permanent, contractual or temporary basis.
EXCO	Executive Committee of DXN
GGRM	Group Governance and Risk Management department of DXN
GFD	Group Finance Department of DXN
GHR	Group Human Resources of DXN
Group or DXN Group	DXN and subsidiaries, collectively
KSM	Key Senior Management of DXN. A person, who in the opinion of DXN, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company's core business and principal subsidiaries. Essentially, KSM is a member of the C-Suite or persons as identified as KSM
Operational area PIC	Refers to the head of the operational area allocated responsibility for ensuring compliance with a specific obligation.
RMC	Risk Management Committee of DXN
Third Parties	Any individuals or organisation that an associate may come into contact with during engagement with DXN and includes actual and potential clients, customers, suppliers, vendors, business contacts, agents, advisors, government and public bodies including their advisors, representative and officials.



2. INTRODUCTION

- 2.1 DXN Group is committed to and conducts its business activities lawfully and in a manner that is consistent with its donation and sponsorship Policy.
- 2.2 As a diversified organisation operating in a regulated environment, in various countries and regions, each with its own set of laws and regulations, it is fundamental the Group complies with the numerous obligations relating to its key activities and stakeholders, and effectively integrate these into its day-to-day operations. Donations and Sponsorships are fundamental to the Group in ensuring transparency, mitigation of risks and accountability.
- 2.3 To demonstrate its commitment to compliance, the Group have established this Donation and Sponsorship Policy (“Policy”) which defines principles and action for the Group to meet its obligations and objectives, and develop a proactive culture of valuing compliance.

3. PURPOSE

- 3.1 The purpose of this Policy is to set out the standards, principles, applicable laws, rules and regulations to ensure all the donations and sponsorships provided are transparent and consistent with DXN Group’s Code of Conduct, Anti-Bribery & Corruption Policy and its objective of achieving good governance.

4. SCOPE

- 4.1 Donation is defined as a voluntary contribution or an unconditional gift in financial or through other forms of support, to individuals or charitable entities (such as foundations, associations and other non-profit organizations); educational bodies; private or public legal entities, etc, with no tangible benefits or commercial return expected.
- 4.2 Sponsorship is defined as an act of supporting financially or through the provision of goods or services, an event, activity, project or organization, in return for services or visibility agreed by both parties.
- 4.3 This Policy applies to the Group’s Directors, Employees, Associates, and Third Parties and all Companies that fall within the Group including subsidiaries.
- 4.4 Prior to conducting any donation or sponsorships, the procedures described in this policy shall be adhered to.



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5. ROLES AND RESPONSIBILITIES

- 5.1 This Policy promotes a culture of accountability and as such every employee has an important role to perform in establishing and maintaining a robust donation and sponsorship culture and process.
- 5.2 The Sustainability Manager has overall responsibility for this Policy and shall oversee the day-to-day administration and implementation of this Policy and the day.
- 5.3 While all employees should adhere to the policy's obligations relevant to their position, certain individuals and groups have specific responsibilities they are expected to undertake in respect to the policy. These key responsibilities are outlined below:

Role	Description
Board	<ul style="list-style-type: none">• Provide overall oversight.• Approve and adopt Policy.• Ensure the effectiveness of this Policy.• Articulate and provide direction on organisational control environment and compliance culture for the Group.
Audit Committee	<ul style="list-style-type: none">• Provide an objective and independent view on the effectiveness of this Policy's implementation to the Board.
RMC	<ul style="list-style-type: none">• Review the context within which donation and sponsorship risk is managed in relation to the Group's strategic direction and objectives.• Oversee and provide oversight and direction for the implementation of risk management in the Group and consistent application of risk management principles.
EXCO	<ul style="list-style-type: none">• Determine donation and sponsorship programmes and priorities.• Evaluate the adequacy of tools, resources, trainings and subject matter expert for the Group to meet its obligations.• Reports to the Board regarding the Group's project obligations, issues and breaches.
ABCC ("ABC Committee")	<ul style="list-style-type: none">• Assists the EXCO to ensure that the Group's operations and activities under donation and sponsorship are in compliance with the Group's objectives.



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Role	Description
Sustainability Manager (“Project Manager”)	<ul style="list-style-type: none"> • Develop the Policy and ensuring it is reviewed regularly; • Facilitate adoption by the operational areas of the Policy; • Prepare reports to the Exco, the Board any other committees as required on donation and sponsorship related matters; • Facilitate training programs to raise awareness of the Group’s donation and sponsorship obligations; • Provide advice to Operational PICs and other employees on policy compliance obligations and issues.
Operational area PICs	<p>The management of each business unit within the Group is responsible for the day-to-day responsibility for the administration and implementation of the Donation and Sponsorship Policy. Principal roles and responsibilities include:</p> <ul style="list-style-type: none"> • managing and operating the day to day of each project in accordance with its respective operation function • having an understanding of the laws, rules and regulations that apply to the business for which the relevant management is responsible • manage employees and ensure compliance of the Policy and other laws, rules and regulations.



6. REQUISITION OF DONATION AND SPONSORSHIP

- 6.1 The requester shall fill in the respective Donation or Sponsorship Requisition Form (“Requisition Forms”) from the GFD together with the full details (name of the organization/body, email address, contact number, person in-charge) and other supporting documents such as brochure, booklet, invoice, etc.
- 6.2 The requester shall then send the duly completed and signed Requisition Forms by email to the GFD for review.

7. CLASSIFICATION OF DONATION AND SPONSORSHIP

- 7.1 Upon receiving the respective Requisition Forms, GFD shall classify the Donation and Sponsorship in accordance to the following categories:
 - 7.1.1 Cash
 - 7.1.2 Stock (Goods)
 - 7.1.3 In Kind
 - 7.1.4 Others
- 7.2 GFD shall also perform the necessary inspections as an internal control measure to ensure the respective donation or sponsorship is to be classified as an approved deductible or a non-deductible expense although it is not a compulsory criteria.

8. DUE DILIGENCE ON DONATIONS AND SPONSORSHIPS

- 8.1 The process of Due Diligence shall cover the following scope:
 - 8.1.1 Donations or sponsorship to be made.
 - 8.1.2 Party receiving the donation or sponsorship.
- 8.2 A website search shall be conducted to verify the legitimacy of Charitable Organizations
- 8.3 The Due Diligence shall be conducted by GFD and submitted to the Sustainability Department for further verification.
- 8.4 The Due Diligence shall be in line with the criteria listed in the respective approved list of permissible and prohibited donations and sponsorship.



9. PERMISSIBLE OR PROHIBITED DONATION AND SPONSORSHIP

9.1 List of Permissible Donation:

- 9.1.1 in compliance with applicable laws;
- 9.1.2 obtain all necessary authorizations;
- 9.1.3 not be made to cover up any illegal payment or bribery other than the said donation
- 9.1.4 not improperly benefit an individual person or Government Official, directly or indirectly;
- 9.1.5 be made to a legitimate body or a registered charity.

9.2 List of Permissible Sponsorship:

- 9.2.1 in compliance with applicable laws;
- 9.2.2 obtain all necessary authorizations;
- 9.2.3 not to be used as a means to cover up an illegal payment or bribery;
- 9.2.4 not improperly benefit an individual person or Government Official, directly or indirectly;
- 9.2.5 be made to a legitimate body or a individual above the age of 18;
- 9.2.6 if the recipient falls under the age of 18, an appointed guardian or organization shall receive the sponsorship on behalf of the recipient;
- 9.2.7 provide positive impact to the brand image of the Group;
- 9.2.8 provide positive benefits to the Group.

9.3 List of Prohibited Donation and Sponsorship:

- 9.3.1 The recipient is the government authority which the Group is expecting to tender, apply, obtain or renew any licenses/permits/projects from in the near future; or
- 9.3.2 The recipient is the government authority which the Company has just tendered, applied, obtained, renewed any licenses/permits/projects from for the Group's business activities in the recent past; or
- 9.3.3 The recipient is a political party and/or activities that promotes political agenda unless approved by the Board of Directors; or
- 9.3.4 There is a risk of a perceived improper advantage for the Group.

9.4 As general principle, to avoid any situations where there could be actual or perceived conflict of interest, DXN shall not make any charitable contributions or sponsorships (in any form including monetary or goods) to Associates, Third Parties, government authorities or any entities directly related to government authority or for any events of Associates, Third Parties, government authorities or any entities directly related to government authority if:-

- 9.4.1 DXN is expecting to apply, obtain or renew any licenses/permits from the government authority in the near future; or
- 9.4.2 DXN has just applied, obtained, renewed any licenses/permits from the government authority for DXN's business activities in the recent past; or



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- 9.4.3 DXN is expecting or just had dealings with the Associates, Third Parties or entities directly related to government authority.
- 9.5 Any Donations or Sponsorships that are not free from Conflict of Interest or Related Party Transactions are required to submit the COI Declaration form as required by the ABC Policy.
- 9.6 Employees are free to make their own contributions as private citizens and using their own resources, provided there is no direct or indirect link to the Group.
- 9.7 In the case where Employees participate in political activities, it must be stated clearly that their actions and opinions reflect their individual beliefs, and not the Group's.

10. APPROVAL PROCESS AND PAYMENT OF DONATION AND SPONSORSHIP

- 10.1 All donations and sponsorships must be accompanied by their supporting documentations, recorded accurately in the Group's financial accounts and forwarded to the Sustainability Manager for recordkeeping.
- 10.2 Upon successful Due Diligence and verification of the proposed donation or sponsorship, the approval process shall be in accordance with the approval process and authority as in the table specified below:

Amount or equivalent	Approval Authority
RM 50,000 and below	Either one of CFO, CEO or Chairman of EXCO
RM50,001 - RM100,000	Either one of CEO or Chairman of EXCO
RM100,001 – RM 2,000,000	Chairman of EXCO
RM 2,000,001 – RM 5 million	Jointly approved by the ABC Committee and the Chairman of EXCO
> RM5 million	Chairman of EXCO, RMC and Board

- 10.3 However, in the event of a donation or sponsorship transaction that may have a material impact on the Group's corporate image or brand, the question will be deliberated at the RMC and notified to Board on top of the steps above.
- 10.4 Should donation or sponsorship be made to the contrary of the preceding item in a rare or selective situation without favoritism or in exchange for any business implications to the Group whether it is to obtain a business or to obtain some form of advantage to the businesses of the Group, then prior approval from the Chairman of the EXCO is required subject always to the prevailing laws, bylaw, and regulations.



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- 10.5 The Sustainability Manager will report to the EXCO, RMC and if needed to the Board on a quarterly basis or more frequently as the need arises.

11. REGISTRATION OF DONATION AND SPONSORSHIP

- 11.1 Upon successful payment and completion of the due processes required, a copy of the donation and sponsorship will need to be registered in the Donation and Sponsorship Register which will be managed and maintained by the Sustainability Manager.

12. POLICY GOVERNANCE

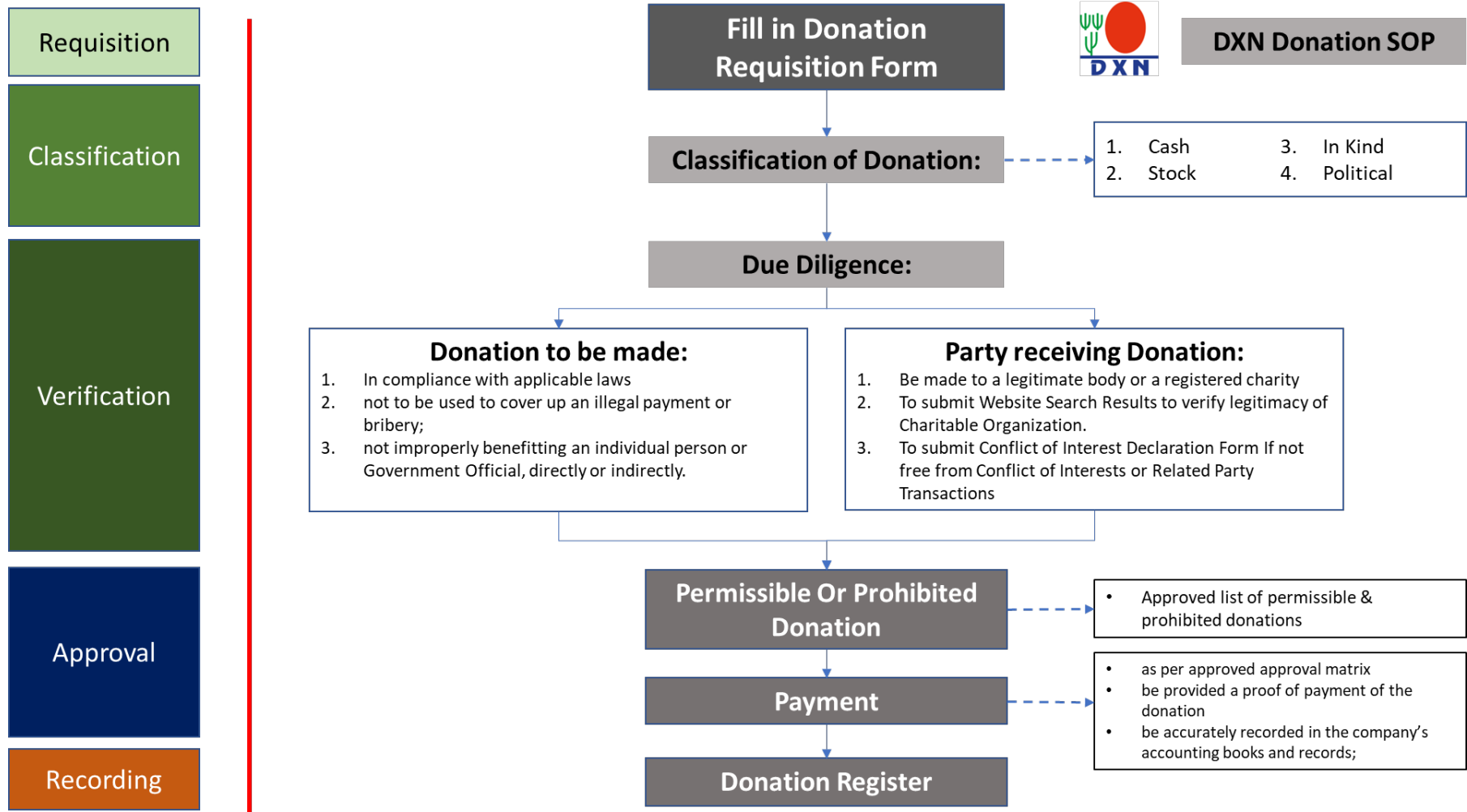
- 12.1 Any requirement for modifications and/or amendments shall be deliberated and any recommendation for revision shall be highlighted by the EXCO to the Board for approval.
- 12.2 This Policy shall be reviewed as and when necessary, in accordance with the needs of the Group by the Board in association with the EXCO and shall thereafter be shared with the stakeholders through the appropriate channels.

13. KEY CONTACTS AND OTHER INFORMATION

- 13.1 The following are key contacts in respect of this Policy:
- Sustainability Manager:
- 13.2 If you have any concerns regarding specific breaches of this Policy, you can contact the above, or refer to the process for raising concerns regarding unethical business conduct, as set out in the Code of Conduct and Ethics and Whistleblowing Policy.



APPENDIX A DXN Group's Donation Process Flow





APPENDIX B DXN Group's Sponsorship Process Flow

