
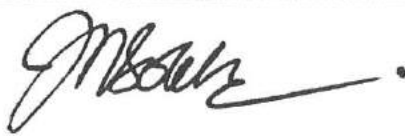

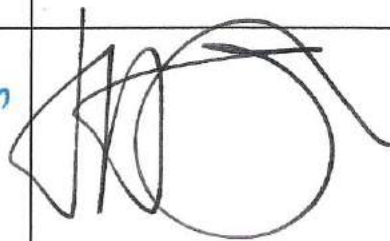



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	CORPORATE COMMUNICATION DEPARTMENT	
	GRANTS, CHARITABLE DONATIONS AND EXTERNAL SPONSORSHIP POLICY	


# GRANTS, CHARITABLE DONATIONS AND EXTERNAL SPONSORSHIP POLICY

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## INTRODUCTION

Duopharma Biotech Berhad (“Duopharma Biotech” or “the Company”) is committed to providing support in terms of cash, services, equipment, in-kind, to several beneficiaries such as corporate organisations, the public and/or private sector, non-profit organisations or individuals that are in line with our Corporate Social Responsibility Policy.


The Company must ensure that all sponsorship arrangements are transparent and comply with the CSR Policy, the Company’s Code of Conduct and the Anti-Bribery & Anti-Corruption Policy. This policy recognises that sponsorship may be beneficial in some cases, and not in others. The benefits of sponsorship should be balanced against potential risks, including:

- The perception that the Company may expose itself to improper influence from private individuals, organisations or companies;
- Potential beneficiary assuming that they have an entitlement to exercise influence over the Company’s operations for their own advantage;
- The perception that the Company may expose itself to negative images from private individuals, organisations or companies;
- The perception that the Company provides sponsorships to individuals, organisations or companies that potentially benefits specific individuals or groups who are working with Duopharma Biotech.

Requests for Grants, Charitable Donations and External Sponsorship must be handled with special caution, in particular, those requests received from individuals who are able to affect the sales of the Company or may benefit personally if the request is granted.

It is the policy of the Duopharma Biotech not to make contributions to political candidates or parties.




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## DEFINITIONS

Grants, Charitable Donations and External Sponsorship constitutes an arrangement whereby the Company makes a contribution of cash, services, equipment, in-kind or for an activity in return for certain specified benefits to the Company, such as branding or logo exposure. Sponsorship may be provided to several beneficiaries such as Corporate Organisations, the public and/or private sector, or individuals as stated in the CSR Policy.

<b>Grants</b>	:	A grant is an amount of money contributed by the Company to other institutions for a particular purpose, e.g. for education or research & development purposes which are deemed appropriate by the Management of Duopharma Biotech.
<b>Charitable Donation</b>	:	A donation may be made by the organisation to a non-profit organisation, charity or private foundation. Charitable donations are commonly in the form of cash, but can also take the form of assets such as properties, vehicles, clothing, and physical items.
<b>External Sponsorship</b>	:	Provision of assistance, which is not limited to financial, services to an activity or programme organised by individuals or organisations or companies.
<b>Cash</b>	:	Monetary form in any relevant currency
<b>Services</b>	:	Providing action or assistance for the benefit of the community or underprivileged or focus group. The said action and assistance include community works such as building property or premises, repairing, cleaning, and others.
<b>Equipment</b>	:	The set of necessary tools for specific purpose. This includes medical equipment such as ventilator, patient monitor or others as well as non-medical tools such as printer, computer and others.
<b>In-kind</b>	:	Marketing or promotional physical goods such as pen, diary, umbrella or others exclude consumer healthcare products or prescribed medicines  <i>Note : The following will be exempted from the policy and will be governed through the Department's internal policies and/or procedures.</i>

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	<i>i. Product sponsorships to business associates and third parties except for any request from a Public Body, Ministry or Government Official and/or the sponsored products are to be directed to a Public Body, Ministry or Government Official;</i>  <i>ii. Marketing related activities/programmes that shall comply with the Malaysian Organisation of Pharmaceutical Industries (MOPI) Code of Ethics and/or a similar standard governing the pharmaceutical marketing practices in countries where the Company operates.</i>
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## OBJECTIVE

The objectives of this Grants, Charitable Donations and External Sponsorship Policy are to:

- A. Coordinate all sponsorship requests received by the various departments in the Company;
- B. Ensure that the suitability of the sponsorships is aligned with the CSR Policy, the Company's Code of Conduct and Anti Bribery & Anti-Corruption Policy ("ABAC") as well as other policies that may be developed by the Company;
- C. Measure the Return on Investment ("ROI") for each sponsorship request.


This policy also constitutes a framework for the Company to maximise the capability, as a provider of sponsorships, to assess fairly and thoroughly all sponsorship proposals, and to maximise the full potential benefits received from any sponsorship requests.

## POLICY GUIDELINES

This Policy applies to all Directors, Officers and Employees (permanent and temporary) of Duopharma Biotech, subsidiaries and affiliated companies, regardless of the location of employment. This Policy's general principles and prohibitions also apply to suppliers, vendors, agents, distributors, consultants, and any other third parties acting on Duopharma Biotech's behalf, regardless of citizenship or where they conduct business.

A Director, Officer and Employee should always question himself or herself before offering or giving money, or anything else of value to any person if the action that he/she is contemplating could be viewed as possessing a potentially illegitimate purpose. If the answer is yes, he/she must not proceed. If in any doubt, he/she must consult the Head of Group Internal Audit & Integrity as the initial step.



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## DECISION PROCESS


All Grants, Charitable Donations and External Sponsorship's amounts must be in accordance with the Limit of Authority ("LOA") approved by the Board of Director of Duopharma Biotech Berhad.

All Grants, Charitable Donations and External Sponsorship proposals shall be evaluated by the Committee Members comprising of the Member of Group Management Committee who is leading the Corporate Communication Department, Chief Legal Officer and Group Company Secretary, Head of Group Internal Audit and Integrity before the commencement of the approval process and a database is to be maintained. In the event that the sponsorship request(s) does/do not obtain majority endorsement by the Committee Members, the Group Managing Director has full authority to approve the said request (s) provided it must be tabled at the quarterly Audit Integrity Committee meeting.

## RESTRICTIONS

The Company will not provide Grants, Charitable Donations and External Sponsorships to organisations, individuals or related parties that are:

- Individual(s) who is/are involved in any current planning, regulatory or legal matters involved in any function/role which will have a direct impact on the Company benefitting from such contribution, whether currently or in the future, or if it is reasonably known that such matters are likely to arise in the foreseeable future (e.g. Government officers that are involved with regulatory applications or tenders);
- Involved in political fields (e.g. political parties or politicians);
- Involved in or associated with products or services related to crimes such as pornography, firearms, nuclear, human or animal trafficking, gambling products or services, chemical reaction that potentially bring negative impacts to the living communities inclusive of people, animal, nature or earth or any related.

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## THE COMPANY'S RESPONSE


All Grants, Charitable Donations and External Sponsorship requests must be officially addressed to the Company via official letter or email. The sponsorship will be granted by the Company after due diligence, and the correct assessment processes have been executed.

The assessment must be in accordance with the CSR Policy, the Company's Code of Conduct, Anti-Bribery & Anti-Corruption policy as well as other policies developed by the Company. The Company has the right to inform the unsuccessful sponsorship requesters via official letter, email or verbal communication on the outcome of the assessment, and the decision the Company has reached. Successful sponsorship requesters will be notified via official letter or email together with the details of the sponsorships (e.g. value of sponsorship, type of equipment) by the Company.

## CONFIDENTIALITY

Duopharma Biotech's reputation may be tarnished if discussions, and actual sponsorships/contributions/donations, with an inappropriate requesting party, and/or inappropriate requested purpose, become public knowledge. In addition, Duopharma Biotech shall not divulge or disclose details of any rejected sponsorship proposals or requests to the public. All information regarding sponsorship proposals and requests will be kept confidential to reduce liability risks as well as to maintain relationships in the case of details changing in the future; rejections shall also be kept confidential between the Company and the requestor. The information will normally be known only in the domain of the Corporate Communication Department personnel and Senior Management.



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## CORRUPTION RISK

Grants, Charitable Donations and External Sponsorships may be reasonable in most cases, however, there may be potential risks of corruption, bribery and undue influence, whether real or perceived.

**Use of ‘front’ organisations:** Grants, Charitable Donations and External Sponsorships directed to a “front” organisation set up as a route for channelling bribes is strictly prohibited. Creation of a trust, charity or event for the specific purpose of receiving bribes in the form of donations or sponsorship is a violation to the anti-corruption laws that include the Malaysian Anti-Corruption Commission Act 2009 (Act 694), Prevention of Corruption Act (Chapter 241) Singapore, Republic Act No.3019 of the Philippines, U.S. Foreign Corrupt Practices Act, U.K. Bribery Act and local anti-bribery laws.

**Involvement of a potential client or public official:** Grants, Charitable Donations and External Sponsorships that are made to an organisation with the aim of benefiting or influencing a decision-maker on a contract or other matter of importance to the company is an impeachment to the anti-corruption laws. One example of such a benefit could be that the decision-maker has an interest in or a family association with the recipient organisation or the recipient body or it is a favoured cause such as a sports club.


**Public officials:** Grants, Charitable Donations and External Sponsorships to public officials may present particular risks under the corruption laws. Close attention should be given to sponsorships and donations considered to public officials. This includes requiring prior clearance/due-diligence by the Group Internal Audit & Integrity which manages concerns or uncertainties, sponsorships and donations involving public officials and employees of state-owned enterprises.

### Sponsorship/Donation to Healthcare Professionals<sup>1</sup>

External Sponsorships including donations in kind may be provided to organisations and institutions involved in promoting activities such as artistic, charitable, cultural, community, educational, humanitarian, health, philanthropic, and sporting activities in accordance with applicable laws and regulations. Member Companies must ensure that there are no incentives to prescribe, recommend, purchase, supply or administer a product based on financial support and that nothing should be offered or provided which would interfere with the independence of a healthcare professional’s prescribing or dispensing practices.

<sup>1</sup> Reference made to *The Malaysian Organisation of Pharmaceutical Industries (MOPI) Code of Ethics, Amended November 2016*




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## DUE DILIGENCE CHECKLIST


Use these parameters to assess which of the Grants, Charitable Donations and External Sponsorship requests are appropriate:

- i. **Bonafide:** Made for the correct reason: i.e. If a sponsorship or a donation, this should be given clearly as an act of appreciation.
- ii. **No obligation:** The activity will not create any obligations or expectations to or from the recipient.
- iii. **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.
- iv. **Made openly:** It will not be performed in secret or undocumented – in which case the purpose becomes questionable.
- v. **Legality:** It is compliant with relevant laws.
- vi. **Accords with stakeholder perception:** The activity must not be viewed unfavourably by stakeholders when it is made known to them.
- vii. **Proportionate:** The value and nature of the expenditure must not disproportionate to the occasion.
- viii. **Conforms to the recipient's rules:** The sponsorship or donation meets the rules or code of conduct in respect of the recipient's organisation.
- ix. **Infrequent:** The sponsorship is not frequent between the giver and the recipient.
- x. **Documented:** The expense must be fully documented including details of purpose, approvals given and value.
- xi. **Reviewed:** The records of sponsorship and donations granted and the effectiveness of the policy and procedures are reviewed by Management and the Group Internal Audit & Integrity with a regular report to the Audit & Integrity Committee.

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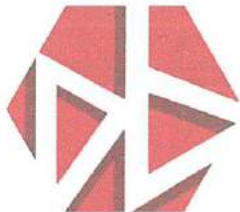
## REQUEST FOR SPONSORSHIP FORM

The Request for Sponsorship Form will be issued to the Department in the Company that has received Grants, Charitable Donations and External Sponsorship requests. The sample as below:

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REQUEST FOR SPONSORSHIP FORM	
Description of the request:	:
Value requested	:
Receiver details (Name / Department / Email):	:
THE SPONSORS DETAILS	
Requesting Organisation Name	:
Requester details (name, title and phone number)	:
Does the sponsoring organisation have any relationship with Duopharma Biotech's businesses?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, does the sponsoring organisation have any business currently in place? (e.g. a contract, application, tender, approval etc with Duopharma Biotech Berhad). Please provide full details	:
Has Duopharma Biotech provided any sponsorship, donation or grants to the same Organisation or its Associate Companies within the past 12 months?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please describe each prior sponsorship, value and date received:	:
Is the requester a Public Official or an Employee of a State-Owned Enterprise?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please submit the request to Group Internal Audit & Integrity Department for evaluation. (Comments by GIA)	:
CSR POLICY	
We hereby declare that the above programme is considered under one of the Corporate Social Responsibility ("CSR") pillars as stated in Duopharma Biotech's CSR Policy. The categories are as below:	
<input type="checkbox"/> Underprivileged	<input type="checkbox"/> Education Enhancement
<input type="checkbox"/> Humanitarian	
APPROVING AUTHORITY	
Name:	Signature / Date:
Evaluation and Remarks by Corporate Communication Department:	



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## FLOW CHART

