



KBZ BANK
STRENGTH OF MYANMAR

NO GIFT POLICY
HUMAN RESOURCE

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Procedure Approval Matrix

Legal and Compliance – No Gift Policy (Revised)

Sr. No.	Name	Designation	Review Level	Signature & Date
1.	Daw Thit Thit Kyaw	Head of Corporate Governance under Legal and Compliance	Proposer	1st June 2021
2.	U Sett Hlaing	Head of Legal and Compliance	Reviewer	10 June 2021
3.	Mr. Tajinder Kumar U Zarni Htun	Head of Human Resource Head of HR Business Partner	Reviewer	22 June 2021
4.	Mr. John Byrne U Htay Aung Kyaw	Chief Risk Officer Head of Special Fraud Investigation – Risk Management	Reviewer	15 July 2021
5.	Board of Directors		Approver	13 August 2021

Document Version Control –

Version	Revision Date	Revised by	Section	Revision Description
Version 2.0	June 2021	Legal and Compliance	Corporate Governance	Add the required clauses and amended some clauses in the Policy.

NO GIFT POLICY OF KANBAWZA BANK

1. INTRODUCTION

No Gift Policy is intended to develop a code of conduct of the Kanbawza Bank (“**KBZ Bank**”) and the Bank requires all employees to demonstrate the highest standards or conduct business when dealing with external parties such as

- all vendors and suppliers, both existing and potential
- customers and clients, both existing and potential
- employees and potential employees
- independent contractors and agents of the Bank
- any individuals or organizations with whom they come into contacts
- consulting firm for expert opinions regarding each project of the Bank

This will often involve giving and receiving gifts, hospitality, and offer of gifts made occasionally to the employees for the matters of due course.

The No Gift Policy is adopted by the Bank to prevent real or perceived conflicts of interest that may arise. As it is impossible to describe every potential conflict, the Bank will rely on employees’ commitment to exercise sound judgment, to seek advice when appropriate, to disclose activities as required by policy and to adhere to the highest ethical standards.

In general, the employees shall not accept gifts, hospitality or the conveyance of anything of value (and shall never accept a gift under circumstances in which it could even appear to others that their business judgment shall be compromised. Similarly, the employees may not accept or allow a close family member to accept gifts, services, loans or preferential treatment from anyone (whether they are clients, suppliers or others) in exchange for a past, current or future business relationship with the Bank.

Therefore, KBZ Bank set out the No Gift Policy (the “**Policy**”) intended to all employees, whether the employees are part-time, full-time or term-contract, working with the Bank. (Hereinafter referred to as “**No Gift Policy**” which expression includes receiving/ acceptance gifts from the others or giving gifts to others.)

2. DEFINITION

The term “Gift” shall have the respective meaning set forth below:

- (i) **Gifts** include money and other items of value such as gold, silver, air tickets, free accommodation, meals, entertainments, golf club membership, etc., but are not limited to the following;
 - Money, goods, service and any other form of benefit offered by vendors, suppliers, customers, potential employees, potential vendors and suppliers, or any other individual or organization;

- Favors or preferences as regard price, or otherwise, from contractors or vendors which is not generally available;
- Invitations to golfing or other sporting activities by customers, vendors or other parties;
- Visits to conferences or events offered by another party;
- Dinners, meetings, parties or entertainment offered by banks or other parties;
- Vendor or potential vendor or supplier provided food, beverages, meals or entertainment including attendance at sporting events.

3. PROHIBITION OF ACCEPTANCE OF GIFTS

The prohibition of acceptance of gifts are provided as follows.

- The gift and hospitality including cash gifts or their equivalent (e.g., gift cards or vouchers, invitation, etc.) shall not be accepted under any circumstances: for instance, getting discounts or special gift offers for making personal purchases or services from suppliers who have regular dealings with the bank.
- Employees may accept invitation from any party to attend a function as a representative of the Bank after seeking approval from the relevant department head/branch manager.

In exceptional circumstances, where it is not possible to seek prior approval, the facts should be reported to the department head/branch manager immediately afterward.

- If an employee has reasonable doubts that acceptance of any hospitality can cause potential conflicts of interest in unforeseen circumstances, such hospitality shall be declined.

The Bank recognizes that there would be situations where it may not be possible to decline the gift (e.g., the gift is presented in front of others) without putting those who give the present in an awkward situation. In such a case, the - Policy still allows the receipt of the gift and an employee has to declare the gift in accordance with the stipulated reporting procedure.

However, such acceptance/receiving of gifts are in exemption and it is not to be applicable in every case. It is necessary to show that the acceptance/ receiving of gifts must be appropriate and consistent given in Clause

4. EXCEPTIONS FOR RECEIVING GIFTS AND GIFT GIVING

All employees shall not accept any gifts from the third party, any person or organization which are offered due to their benefit other than the following exemption. Otherwise, all the receiving/giving gifts shall be declared to Human Resources Function (“**HR Function**”) or respective manager by **Appendix C** of this Policy.

- (i) Exempted from this Policy are gifts such as t-shirts, pens, trade show bags and all other miscellaneous items that employees obtain, as members of the public, at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event.

Exempted are cards, thank you notes, certificates, or other written forms of thanks and recognition.

Exempted are food, beverages, and meals or tickets to local events, exhibitions, press events and/or parties that are supplied by and also attended by current customers, partners, and vendors or suppliers in the interest of building positive business relationships. Exemption may include hospitalities which are provided as part of a “working” meeting or session to benefit and advance positive working relationships and company interests.

- (ii) The giving of gifts and entertainment regarding lucky draw or other prizes, promotion gifts for the products or a new product, invitation to a business partner, etc., will be a separate subject that is to be addressed by the respective VCs/ Functions. If the employees have any questions about the appropriateness, the employees should discuss the matter with the respective manager or HR.
- (iii) The employees are not allowed to offer/receive any of gifts to third parties, individuals or organizations or government offices. However, there is an exception guideline regarding gift-giving/receiving issued by the President’s Office in 2016 which is given in **Appendix D** of this Policy. Based on this Guideline, the followings are exceptions for receiving gifts and gifts giving:
 - Gifts with a value of no more than 25,000 MMK (the maximum value of gifts which may be received from a person or organization within a year shall be 100,000 MMK);
 - Gifts which are received not because of one’s official position but because of family relationship or personal relationship; and
 - Gifts with a value of no more than 100,000 MMK and which are given on a special annual occasion such as Christmas or Thadingyut.

However, the employees shall approve business hospitality and gift proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. Employees should also ensure that the following conditions are met:

The gift or hospitality is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits;

- The gift or hospitality does not violate any laws, rules, regulations and guidelines;
- The gift or hospitality is given in the organization name;
- The gift or hospitality does not include cash or a cash equivalent (such as gift cards or vouchers);
- The gift or hospitality is not offered to, or accepted from, government officials or representatives, or politicians or political parties.

5. RESPONSIBILITIES OF EMPLOYEES

This Policy is based on the Code of Conduct of KBZ Bank and all the employees have responsibilities to avoid the following breach of code of ethics:

5.1 Breach of Code of Ethics

- Making and offering, directly or indirectly, gift, entertainment and other preferential treatment;
- Providing directly or indirectly, necessary assistance in travelling;
- Conferring, directly or indirectly, a financial advantage to get a business opportunity;
- Offering and conferring, directly or indirectly, charitable donations and political contribution;
- Providing, directly or indirectly, assistance to get employment in companies or organizations for personal interest;

An employee or organization shall avoid any person

- seeking a favor based on one's position or authority;
- doing business or seeking to do business with an organization that is under one's responsibility or supervisions;
- getting benefit from an action pursuant to one's responsibilities and from an omission to act pursuant to one's responsibilities;

5.2 Compliance with the Policy

The employees are required to inform external parties or third parties professionally that they are not allowed to give/ receive a gift according to this No Gift Policy. The employee shall require to be provided the awareness of Bank's Policy regarding vendor respect and not purchase and deliver any gift for the Bank's employees or officers at any time for any reason. The informing of this Policy shall be given in **Appendix A** of this Policy.

Furthermore, the Bank requires its employees to ensure that gifts are declined. This applies, whether the gifts are offered within or outside normal working hours and in Bank premises or outside Bank premises. Employees should politely decline the gift and inform the person who give a gift of the Bank's No-Gift Policy.

Even if the gift is sent by post, the employee shall return the gift with a suitably worded note of thanks. Suggested wordings are contained in **Appendix B** of this Policy.

6. REPORTING AND ACTION FOR RECEIVING GIFTS

6.1 Internal Compliance

In some conditions, refusing the gifts from the external or third party may turn out to be a disrespectful manner, in such kind of case when the employee has any doubts or is seeking for clarification, the employee shall report to the Head of Human Recourses ("HR") or the respective manager of such

employee and, the employee shall require to be declared the gift by completing the Gift Declaration Form which was given in **Appendix C** of this Policy.

6.2 External/ Public

The public can also report if the employees receive or provide the gifts in corrupt manners;

For example, Dear valuable customers,

If you find any kind of elements related to bribery or corruption by our employees, you may report to the whistle blowing officer via email (whistleblowing.officer@kbzbank.com) or letter (Whistleblowing Officer, KBZ Bank, 53, 3rd Floor, Strand Road, Between – Bon Soon Pat & 32nd Street, Pabedan Township, Yangon, Myanmar).

6.3 Reporting Procedure of Receiving Gifts

If the gift is a plant or flowers, this will be displayed in the lobby, or at another central location where all employees may enjoy their presence.

Perishables gifts of food that may arrive during the holidays, and at other times of the year when gift-giving is traditional, belong to all staff even if addressed to an individual employee. Under no circumstances is the employee permitted to take a food gift home; such food gifts must be shared with all staff during work hours at the workplace.

As per clause 6.1 of this Policy, the reporting procedures are as follows;

- The employees who are receiving gifts will submit Gifts Declaration Form together with the gift to the Head of HR through his direct reporting supervisor.
- For employees who are working from branches outside of Yangon, the employee can report either the respective Branches' Manager or Head of HR, if the reporting process shall be to the Branch Manager, then he/she shall discuss with HR Head and the Branch Managers are allowed to arrange the receiving gifts depend on the discussion between them.
- HR Function shall be responsible to assess the value of the gift and can manage the appropriate arrangement for the receiving gifts include a donation to a charity or selling the gift and donating the money to charity or handing the gift to charity.

Regarding the valuable gifts/ entertainment, the decision to manage the gift shall be taken on a case-by-case basis by the senior management and HR Function. The Declaration Form for receiving gifts shall be recorded and registered by HR.

7. VIOLATION OF POLICY

An employee who violates the No-Gift Policy is liable for disciplinary or administrative action including (i) 1st written warning for a first violation of this Policy, (ii) 2nd written warning for a second violation of this Policy

and (iii) final warning to be signed by the employee for a third violation. After having given these three warnings, the employee may be dismissed without any compensation.

8. POLICY REVIEW

This Policy shall be reviewed from time to time based on the amendments of relevant laws.



Appendix A

Informing to customer (Prohibition to receive gifts)

KBZ Bank advocates the values of integrity and trustworthiness in all its businesses. In line with that, KBZ Bank would like to announce that it strictly upholds the No Gift Policy with respect to its present and prospective clients, customer and vendors. No external or a third party may offer or give any gifts or hospitality, either directly or indirectly to any employee of KBZ bank or to any family members of the employee of KBZ Bank.

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Appendix B (Suggested verbal or written response to declining gifts)

Thank you for the gift. We truly appreciate your generosity and kindness. However, we regret to say that I cannot accept it. Here at KBZ bank, we practice No Gift policy and we are not allowed to accept gifts from any clients and external or third parties. I hope you understand. Please know that your generosity is much appreciated. I look forward to serving you in the near future.

My warmest thanks,

(Name of employee concerned)

Appendix C

Gift and Hospitality Declaration Form
Declaration

Date:
Reference No:

This Declaration Form (the “**Form**”) is drafted in accordance with the KBZ Bank’s No Gift Policy. Employees must declare all gifts and hospitalities as highlighted in the Policy by submitting the Form to the Head of Human Resources through their direct reporting supervisor or through a Branch manager for the respective branches.

Name	
Designation/ Position	
Employee ID Number	
VC/ Function	
Date received	
Description of the gifts or hospitality	
Estimated or actual value	
Offered by: Name Position Organization	
Reasons for accepting	
Grounds for conflicts of interest (if any)	

Signature:

(Direct Reporting Supervisor)

Signature:

(Individual Concerned)

Appendix D (Reference: Guideline on Gifts issued by the President Office 2016)



Guideline on Gifts
(2016)_Unofficial Tran