



**Mya Ayer Manufacturing  
Co., Ltd (MAM)**

**DONATION POLICY AND  
PROCEDURE**

# Donation Policy and Procedure

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## 1. GOAL

Establish general guidelines for donations, sponsorships or contributions, description of the approval process, and provision of donations by MAM.

## 2. APPLICATION AND SCOPE

Hereinafter, this Company will be referred to as “MAM.”

## 3. DEFINITIONS

**Donation:** An act through which an individual or legal entity irrevocably transfers part of its property at no cost.

**Donor:** Individual or legal entity who undertakes the act of donating.

**Beneficiary:** Individual or legal entity who receives the donation.

**Bribery:** The following person commits the act of bribery:

A person who offers or consents to giving a public official an economic incentive, for direct or third-party benefit, to unduly act or omit information in his/her work.

A person who offers, promises or gives a foreign public officer an economic or other incentive, for direct or third-party benefit, to act in such a way or omit information for the purpose of obtaining or maintaining, for him/herself or others, any business or undue advantage in the area of any international transaction.

**Money Laundering:** Crime committed by any person who in any way conceals or disguises the illicit origin of certain goods, in the knowledge that they come directly or indirectly from an illegal act; or who acquires, possesses, has or uses such goods, without profit, when at the time of receiving them is aware of their illicit origin.

**Terrorism Financing:** A crime committed by any person who, by any means, solicits, collects or provides funds for an end use in committing any terrorist offense, such as seizing or attacking a means of public transport in service, attempted coup against the President and other authorities, illicit association with the aim of committing terrorist crimes, among others.

## 4. RESPONSIBILITIES

### Beneficiary or grantee:

- Submit a written donation request (letter or email).
- Submit the donation certificate.
- The donation and use it for the stated purposes.
- Provide information necessary for assessment of donation request.

### Corporate Affairs Department:

- Receptor and channeler of donation request approvals.
- Check availability in donation budget.
- Assess donation, issue recommendation to the MD and manage final approval, after assessment of the donation request by Finance Department.
- Give formal response to the applicant on the outcome of the donation request (approved or rejected).

### Accounting:

- Determine type of donation (cash, fixed assets, inventory or other).
- Provide information on the registered cash equivalent of assets to be donated, for in kind donations.
- Provide invoicing instructions for donated goods (fixed assets, inventory or other physical assets).
- Require the donation certificate issued by the beneficiary.
- Use tax exemptions for donations.
- Ensure proper accounting procedures for the donation in accounting ledgers.
- Receive and maintain supporting documents for donations in files.

### Controller:

- Report to the MD if any irregularity is detected.
- Report annually to the Board of Directors on the outcome of the procedures undertaken, and provide details of donations made during the year, indicating the amount of donations, sums involved, type of assets donated, beneficiaries, tax exemption, rejected expenses and any other relevant information.

### Managing Director (MD)

- Final donation approval.

## 5. Procedure

### 5.1 General Guidelines:

- The Board will approve an annual donations budget of funds or goods to be donated.
- All donations, whether in cash or in kind, must follow this procedure and be approved by the Executive Management Team of MAM.
- Donations to natural persons or legal entities of a political nature (political parties or funders of political campaigns) are prohibited.
- The donor department will ask the Accounting Department to complete the tax accounting data for the donation request and indicate the necessary documentation for its proper accounting and for use of any corresponding tax exemption. Accounting will send a form with the requested information signed by the Head of Accounting.
- The Controller will review donations and any anomalies will be reported to the MD. S/he will also report to the Board of Directors on the outcome of the review and donation details.
- Cash donations will be made as stipulated in the Supplier Payment Policy and Procedure and by check or money order.
- Donations will be duly registered in the respective accounting books.
- A "black out" period will be established for donations to public institutions or public officials, during any processes involving audits, permit processing, tender review, among others, and the department subject to any of these processes must opportunely inform the Corporate Affairs Department.

### 5.2 Description of Activities

#### a) Request for donation:

Prior to processing a donation request, the donor department must:

- 1) Determine with the Corporate Affairs Department whether there is a donation budget, or will notify that it is a department expense that, due to its nature, must be made through a donation, as is the case with a sponsorship or contribution, for example to a University or other educational foundation.
  - 2) Undertake complementary activities, to familiarize itself with the beneficiary, in association with a review of the owners, directors and/or main executives on lists associated with money laundering, terrorism, fraud and/or historical databases.
- Amount or equivalent of the donation value.
  - Relevant donation law. If the donation does not fall under any law, this should be clearly stated.
  - Signature of Accounting Department Supervisor (authorized accounting and tax information)

## b) Donation review and analysis:

The Corporate Affairs Department will assess the donation request, checking the budget, and will revisit the information on the form along with supporting documentation. As an outcome of this review, it will issue a recommendation to the MD.

## c) Donation approval:

Based on the supporting documentation (forms, background documentation and corresponding approvals), the MD will approve or reject the donation.

## d) Provision of donation:

### Donor department:

- When a cash donation is made, approval will be requested for the expenditure (amount to be donated) based on the Supplier Payment Policy and Procedure, enclosing all supporting documentation for the donation (signed form, donor request, others).
- For donations in kind, the donor department will take necessary actions and coordinate with the beneficiary to physically provide the donation (documenting proof of receipt with the beneficiary).

### Beneficiary:

The beneficiary must submit a donation certificate to the donor department (when applicable) and the donor must send it to the Accounting Department.

## e) Accounting and related records:

The donor department will:

- Provide an invoice for donations in kind (fixed assets, inventory, etc).
- Record the donation (cash or assets) in the correct accounts based on instructions given by the Accounting Department. Depending on whether the type of assets to be donated are part of fixed assets or inventory, the Accounting Department will provide instructions on how to proceed.

## f) Donation report:

The Accounting Department will send details of donations made on a semiannual basis to the BODs.

On an annual basis, the Controller Department will:

Verify donation authorizations through audit procedures, issuing a report to the MD, which will record any irregularities detected.

Report annually to the Board of Directors on all donations made during the year, including details on the grantee, the sum involved, date of donations, details of donated goods, use of tax exemptions and/or expenses rejected under donations.