



ANTI-CORRUPTION POLICY

TABLE OF CONTENTS

- 1. Introduction**
- 2. Definition, Objective & Scope**
- 3. Policy Owner**
- 4. General Guidelines on Anti- Corruption Policy**
- 5. Anti-Corruption Commitment**
- 6. Recognitions of Local and International Legislation**
- 7. Gifts, Donations, Entertainment and Sponsorships**
- 8. Facilitation Payments**
- 9. Recruitment, Promotion and Support of Personnel**
- 10. Business Associates**
- 11. Responsibilities of SMG Employees**
- 12. Conflict of Interest**
- 13. Duty to Report Policy Violations**
- 14. Training and Awareness**
- 15. Breach of Policy**
- 16. Staff Declaration**

Appendix A: Staff Declaration form

1. Introduction

As a listed company, Star Media Group Berhad and its subsidiaries (collectively referred to as “SMG”) are committed to a high standard of ethical and legal business conduct. Thus, the Anti-Corruption Policy (“Policy”) has been developed and designed by SMG to align with the requirements set out in the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009). The Group prioritises having a clear and definite policy statement on corruption that forms the foundation of an effective integrity management system.

This Policy should thus be read in connection and in tandem with the MACC Act 2009 as well as the rest of SMG’s guidelines and policies.

2. Definition, Objective & Scope

This Policy is established to maintain an ethical environment with zero corruption amongst all levels of employees.

Corruption is defined as unlawful and improper behaviour that seeks to gain an advantage through illegitimate means. Bribery is defined as an act of receiving or offering of any undue reward by or to any person in order to influence his/her behaviour in office and incline him/her to act contrary to the principles of honesty and integrity. Bribery is therefore just one type of corruption.

This policy aims to:

- a) set out SMG’s responsibilities and those who are appointed to work for it to observe and uphold its position on bribery and corruption; and
- b) instil upon employees that corruption, especially in relation to work, is not tolerated by SMG and to provide principles and guidelines as to how to recognise and deal with corruption.

This Policy applies to all employees of SMG, whether permanent, contract, temporary or part-time, regardless of position (all levels & grades) including but not limited to business partners, consultants, contractors, trainees, volunteers, interns, agents, sponsors, or any other parties associated with SMG. The definition of employees herein also includes directors of the Group.

Any violation may result in disciplinary action, up to and including termination of employment/contracts, as well as the risk of being reported to the relevant government authorities and/or the police.

On the basis that this Policy provides guidelines only and that it is not intended to deal with each and every possible scenario that may arise, where any doubt exists, prior advice should be sought from your Head of Department (HOD), Legal Department and/or Group People Department.

3. Policy Owner

The Group People Department is the custodian of this Policy and shall be responsible for reviewing it regularly and making relevant amendments from time to time to ensure this Policy remains relevant at all times.

4. General Guidelines on Anti-Corruption Policy

Forms of corruption include, but are not limited to, beneficial ownership secrecy, bribery, collusion, extortion, embezzlement, facilitation payments, fraud, kickbacks, nepotism, patronage and political corruption. In practice, it means giving, offering, receiving or soliciting something of value in an attempt to illicitly influence the action or decision of a person of influence or in a position of trust for one's gain externally or internally within the organization.

Corruption may take the form of anything of value, such as money, company shares, goods, service, sexual or other favors, inside information, property, privilege, employment position or preferential treatment.

The form of corruption can pass directly to the person receiving the bribe or indirectly to their acquaintances such as friends, family, favorable charity, businesses, religious group, political party or election campaign.

5. Anti-Corruption Commitment

SMG is committed to conducting all of its business dealings with the utmost integrity. This means avoiding practices of corruption of all forms in SMG's daily operations, whether the transactions have effect outside or within Malaysia.

SMG has adopted a zero-tolerance approach against all forms of corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in SMG losing business.

SMG expects mandatory compliance to this Policy.

6. Recognitions of Local and International Legislation

SMG is committed to complying with all local laws and regulations in the countries where SMG does business.

The law includes but is not limited to the Malaysian Penal Code (and its amendments), the Malaysian Anti-Corruption Commission Act 2009 (and its amendments), the Company Act 2016 (and its amendments) and any other relevant local laws of those countries SMG does its business with. These laws prohibit act of corruption, and mandate SMG to establish and maintain accurate records and adequate internal control measures.

In a case where there is a conflict between the mandatory laws and the principles contained in this or other policies, the law shall prevail.

7. Gifts, Donations and Sponsorships

7.1 Scope

A gift and/or entertainment means anything of value, including but not limited to hampers, jewellery, lucky draw items, decorative items, club membership, loans, cash, favourable terms or discounts on any product or service, tickets to sports, music or cultural activities, travel or lodging not associated with a business conference, meeting or event that are not available to all SMG employees

These are just examples and the potential list is endless.

Gifts and entertainment to a spouse, family members or relatives are generally considered inappropriate. Gifts and entertainment to any person or entity at your direction or for your benefit are also deemed as gifts and entertainment received by you.

7.2 General Guidelines

An employee is allowed to accept gifts, donations, entertainment, sponsorship and use of services or gratuities of a combined value of not more than **RM500.00 per year** from the same Third Party source. Should the amount of RM500.00 be exceeded, this needs to be declared to the Group using the prescribed channels. An employee is also prohibited from offering gifts, donations, entertainment, sponsorship and use of services or gratuities of a combined value of **RM1,000.00 per year** to the same Third party, unless with documented approval of the Company.

On the basis of this policy, Third Parties are, but not limited to, any individual or organization that the employee comes into contact with during the course of work and running of SMG businesses, including business partners, actual & potential clients/customers, referees of work, vendors, suppliers, contractors, sub-contractors, service providers, distributors, dealers, resellers, business contracts, business associates, consultant, agents or their personnel (incl. agency staff), representatives, advisors, public body (incl. their advisers, representatives, officials), politicians and political parties.

When deciding on the appropriateness of giving or receiving a gift or entertainment, employees should consider the following factors:

- How it compares in value to the usual gift-giving practices in the same industry or country.
- Whether any legal or regulatory restrictions exist.
- The total value of the gift to or from the person or entity in the current year.
- The suitability of the gift, given the employee's position in SMG.
- The impact of the gift on building a positive business relation with the recipient or provider of the gift.
- Whether an objective party would consider the gift to be reasonable in cost and quantity or to be extravagant.

Employees should never offer or accept gifts or entertainment if they:

- Are cash or cash equivalents (such as gift cards or gift certificates).
- Are extravagant gifts.
- Are frequent.
- Are given or received with the intent to influence the recipient's judgement.
- Are 'adult' entertainment or any sort of event involving nudity or lewd behaviour.

- Involve significant travel and/or overnight accommodation being paid for by the host company.
- Prohibited by the local authority e.g. gambling, betting.

There are some exceptions as follows:

- Commemorative gifts or door gifts offered to all attendees.
- Promotional gift items with the Company logo (i.e. pens, mugs, calendars and notebooks).
- Tokens such as plaques.
- Complimentary corporate tokens/gifts of nominal value bearing the company's logo
- Business networking meals that are not excessive without the concern of conflict of interest.
- Donations and sponsorship in the form of gifts or cash for employee gatherings or events at the official request of the Company's event organising committee via an official letter.

All donations and sponsorships must fulfill the following requirements before any form of transaction is made:

- a) It is the responsibility of the department involved to conduct due diligence to ensure the recipients are genuine beneficiaries. (ie. for a charitable organization, its registration and tax exemption status [if any] is to be obtained).
- b) Any donations and sponsorship requests (either giving or receiving) must be carefully examined for legitimacy and not to be made to improperly influence the business outcome.
- c) Any donations and sponsorship (including CSR) activities must not be used to evade the laws or regulatory requirements especially to facilitate bribery and corruption activities.
- d) All payments received and made for CSR, donations and sponsorship activities are to be recorded in writing by the department.
- e) Employees use good judgment and common sense in assessing the requests. When in doubt, employees should report to the HOD if encountered with such requests.

8. Facilitation Payments

Facilitation payments are payments in the form of anything of value made/received personally by someone in control of a decision or a process, given to expedite or secure the performance of a routine or administrative duty or function. It is obligatory for an employee, not to offer and to decline such payments. Employees are required to report to the HOD when encountering any request of such.

SMG strictly disallows the use of facility payments in its business.

9. Recruitment, Promotion and Support of Personnel

SMG recognizes high value of integrity in its employee and business acquaintances. SMG's performance evaluation, promotion, recruitment, remuneration, recognition and training of all SMG employees including the management shall be designed and updated regularly to highlight integrity.

10. Business Associates

All business associates (including consultants, advisers and agents) acting on behalf of SMG shall comply with this Policy and any other policies that are related to this.

Employees who are tasked to work with business associates for the Group's business must ensure that they report to the HOD if the business associates commit or are likely to commit an act of corruption in relation to the company's business.

11. Responsibility of SMG Employees

All SMG employees (regardless of position in the Group) are required to be responsible and adhere to this Policy, alongside other policies already in existence, which includes but is not limited to the following:

- a) be familiar with the requirements of this Policy;
- b) promptly record transactions and payments for/to/by SMG to be accurately recorded with accurate and complete details;
- c) Refer to Group People in the event of any doubt;
- d) Raise suspicious transactions, violation and other "red flags" to the appropriate channels for guidance and next course of action; and
- e) attend training and awareness programmes as required by SMG.

12. Conflict of Interest

Conflict of interest occurs when an employee has a personal interest that could be considered to have potential interference in their judgments while performing their duties for SMG. All employees should avoid such potential situations in which their personal interest conflicts with their professional obligations

or duties. Employees are prohibited from using SMG's assets and resources, their position of trust, official working hours or any information available to them for personal gain or to the disadvantage of SMG.

This includes:-

- 1) Financial/business journalists and other employees who are involved in reporting any business or financial entities that their content or work can be directly used for financial advantage in stock trading or any other contractual transactions. This is not allowed when it comes to transactions in the capital markets, especially equities.
- 2) Political contribution or donations must be made to the political party's official bank account and not to any individual member's account. The above is allowed if it is permissible under all the applicable laws in the country and must not be made with any intention or expectations for favour in the interest of the donor or any favorable treatment and must be accurately and properly recorded. Any such contribution or donation, regardless of amount, must first have the approval of the CEO.
- 3) Favouritism and nepotism at the workplace and in the performance of work is strictly prohibited.
- 4) Selection of vendors and suppliers are to be made strictly in adherence to the Group Purchasing Policy to govern a fair selection process.

In situations where a conflict does occur, employees are required to declare the matter to their respective HOD or the higher level of authority.

13. Duty to Report Policy Violations

All SMG employees are encouraged to raise any concerns about any issues or suspicion of violation of this Policy immediately upon coming into knowledge of such instances.

If an employee is given, promised, or offered any gratification, they should raise their concerns, together with the details of the giver. Any employee who discovers a corrupt transaction shall report it to the HOD

The said concern must be raised in a timely manner via the SMG Whistleblower Policy (which is accessible in our Corporate Portal Service - CPS (internal staff portal) if the employee encounters actual or suspected violation of this Policy.

The Whistleblower Policy has been established as a suitable reporting channel to receive information on this Policy violation and any other matters of integrity provided in good faith by SMG employees and/or the external party.

The identity of the informer and the information shall be kept confidential between the officer and informer (as per the SMG Whistleblower policy)

14. Training and Awareness

Training and awareness programmes shall be provided to all employees of SMG regarding anti-corruption. It is mandatory for all levels of SMG employees to undergo the training and awareness programmes.

15. Breach of Policy

Employees are required to follow this policy strictly. Failure to comply with any provisions of the policy will result in disciplinary action against the employee, which may include dismissal.

SMG have the right to forthwith terminate an agreement/contract with a Third Party with no penalty or liability whatsoever to SMG upon breach of the provisions of this policy or any anti-corruption laws whereupon SMG shall not be obliged to make any payments whatsoever to the Third Party. SMG may also suspend or withhold payment if it has a good faith belief that the Third Party has violated, intends to violate, or has caused a violation of any anti-corruption laws. SMG shall not be liable for any claims, losses or damages arising from or related to the failure by a Third Party to comply with this policy and the laws related to it.

16. Staff Declaration

All SMG employees shall declare in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be documented and retained by the Group People Department for the duration of the employee's employment.