



BINASAT COMMUNICATIONS BERHAD
(Company No. 1222656-D)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1) BINASAT COMMUNICATIONS BERHAD'S COMMITMENT

Binasat Communications Berhad ("the Company") and its group of companies (collectively "the Group") are committed to conducting its business operations in dealings with integrity, ethical manner and complies with all applicable laws and regulations. We believe that corruption prevents fair market competition and threatened our socio-economic healthy development, economy and enterprises.

This Anti-Bribery and Anti-Corruption Policy ("Policy") sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. In our cooperation with Partners, via contractual covenants and our procedures and processes, the Group requires all of its partners to comply with the Company's Anti-Corruption statement and also to restrict their business conduct to avoid unethical behaviours.

2) DEFINITIONS

"Bribery & Corruption" means any action which would be considered as an offence of giving or receiving "gratification" under the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"). In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation.

Bribery may be 'outbound', where someone acting on behalf of the Company and the Group attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be 'inbound', where an external party is attempting to influence someone within the Company and the Group such as a senior decision-maker or someone with access to confidential information.

"Binasat" means Binasat Communications Berhad and its group of companies

"Business Associate" means an external party with whom Binasat has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

"Gratification" is defined in the MACC Act 2009 to mean the following:

- (a) money, donation & sponsorship, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction



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or percentage;

- (e) any forbearance to demand any money or money's worth or valuable thing
- (f) any other service or favour of any description, including protection from any penalty or disciplinary incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any Gratification within the meaning of any of the preceding paragraphs (a) to (f).

“Personnel” means directors and all individuals directly contracted to Binasat on an employment basis, including permanent and temporary employees.

3) OBJECTIVE

The objectives of the Policy:

- 3.1 To set out responsibilities of all our Employees, officers and Directors to observe and uphold stance on zero-tolerance to bribery and corruption.
- 3.2 To provide information and guidance to those working for us on how to recognize and deal with corruption issues.
- 3.3 Will, at a minimum, comply with all applicable laws, regulations and standards or, where internal policies require a higher standard, will comply with such higher standard.

4) SCOPE

The Policy applies to the Directors, all level of employees (whether full-time, part-time, permanent or contract) of the Group, Business Associates and other parties performing services for and on behalf of the Group.

This Anti-Bribery and Anti-Corruption Policy is not intended to provide definite answers to all questions regarding Bribery and Corruption. Instead it is intended to provide the Directors, officers, Employees and any other person associated with us with a guide on how to prevent and detect corruption in pursuant to commitment to zero-tolerance on bribery and corruption.

5) ANTI-BRIBERY AND ANTI-CORRUPTION

Bribery and corruption in all its forms as it relates to Binasat's activities is prohibited.

Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. Binasat personnel and its business associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of Binasat or the persons involved in



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the transaction.

The anti-bribery and corruption statement applies equally to its business dealings with commercial (“private sector”) and Government (“public sector”) entities, and includes their directors, personnel, agents and other appointed representatives.

6) COMPLIANCE TO THE LAW

This Anti-Bribery and Anti-Corruption Policy shall at all times comply with the laws and regulations of Malaysia. The paramount laws on corruption is the Malaysian Anti-Corruption Commission Act 2009, (Act 694). Four (4) main offences stipulated in the Malaysian Anti-Corruption Act 2009 (Act 694):

- 6.1 Soliciting/Receiving Gratification (Bribe) [section 16 & 17(a) MACC Act 2009].
- 6.2 Offering/Giving Gratification (Bribe) [section 17(b) MACC Act 2009].
- 6.3 Intending to Deceive (False Claim) [Section 18 MACC Act 2009].
- 6.4 Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009]

Additionally, any breaches of this Anti-Corruption Policy may tantamount to a breach of Section 17A of the MACC Act in which in the event any commercial organization commits an offence under Section 17A shall, on conviction, be liable to:

- a. A fine not less than 10 times the sum or value of gratification or RM1million, whichever is higher; OR
- b. Its officers concerned, imprisonment for a term not exceeding 20 years, or BOTH.

7) GUIDANCE ON COMMON FORMS OF CORRUPTION

This Policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest and bona-fide corporate hospitality.

7.1 Gifts, Entertainment and Hospitality

Some examples of acceptable gifts and/or benefits are as follows:-

- a) token gifts offered in business situations or to all participants and attendees for example, work related seminars, conferences, trade and business events; and
- b) refreshments or meals during meetings or as participants of work-related conferences and/or seminars; and
- c) gifts presented at work-related conferences, seminars and/or business events; and
- d) gifts given in gratitude for hosting business events, conferences and/or seminars.



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As a general principle, the Directors and Employees should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange for favours or benefits. In addition, lavish or unreasonable gifts or hospitality should not be accepted as such gifts or hospitality may be perceived or interpreted as attempts by the Directors or Employees to obtain or receive favourable business treatment for personal benefits.

The Directors and Employees should be mindful in giving or receiving gifts or hospitality as it could be perceived as a way of improperly influencing the decision making of the recipient. Hence, the intention behind gifts or hospitality should always be considered.

7.2 Third Parties and Agencies

All third parties, including agents, suppliers and joint venture partners should be made aware of this Anti-Bribery and Anti-Corruption Policy and the arrangements with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

7.3 Political Contribution

Subject to any prevailing law that govern political contribution, the Group may make contribution to political parties or candidates. All political contributions require approval from the Head of Division or the Chief Executive Officer (CEO) and Managing Director (MD). The records of all political contributions shall be kept by the Group or Division Corporate Communications Department.

7.4 Charitable Contribution

Charitable support and donations are acceptable (and indeed are encouraged), whether of in kind services, knowledge, time, or direct financial contributions. However, Directors and Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. No donation can be offered or made without the prior approval of the CEO and MD. The records of all charitable contributions shall be kept by the Financial Department.

8) FACILITATION PAYMENTS

Binasat adopts a strict policy of disallowing the use of facilitation payments in its business. Facilitation payment is an unofficial payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite the performance of a routine or administrative duty or function.

Personnel shall decline to make the payment and report to Managing Director / Chief Executive Officer immediately when they encounter any requests for a facilitation payment. In addition, if a payment has been made and personnel are unsure of the nature, the Managing Director / Chief Executive Officer must be notified immediately, and the payment shall be recorded accordingly. Personnel must not promise or offer, or agree to give or offer, facilitation payment to any other party.



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9) RECRUITMENT, PROMOTION AND SUPPORT OF PERSONNEL

Binasat recognizes the value of integrity in its Personnel and Business Associates. Binasat's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Binasat's Personnel, including management, shall be designed and regularly updated to recognize integrity.

The recruitment of Personnel should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of Personnel.

In line with this, proper background checks should be conducted in order to ensure that potential Personnel has not been convicted in any bribery and corruption cases nationally or internationally. More detailed background checks should be taken when hiring Personnel that would be responsible in management position, as they would be tasked with decision making obligations.

10) BUSINESS ASSOCIATES

All business associates (including external providers such as consultants, advisors and agents) acting on behalf of Binasat are required to comply with this Policy.

In circumstances where Binasat retains controlling interest, such as in certain joint venture agreements, Business Associates are required to adhere to this Policy. Where Binasat does not have controlling interest, Business Associates are encouraged to comply the same.

Due diligence should be carried out with regards to any Business Associates intending to act on Binasat's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with Binasat.

The extent of the due diligence should be based on a bribery and corruption risk assessment. Due diligence may include a search through relevant database, checking for relationships with public officials and self-declaration. The results of the due diligence process must be documented, retained for at least seven years and produced on request by the custodian of the process.

Binasat shall include standard clauses in all contracts with Business Associates enabling the Company to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for Business Associates acting on Binasat's behalf where bribery risk has been identified.



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11) RESPONSIBILITIES OF BINASAT PERSONNEL

11.1 All Binasat's Personnel are required to carry out those responsibilities and obligation relating to Binasat's anti-bribery and anti-corruption stance, alongside those already in existence, which includes the following:

- a) Be familiar with applicable requirements and directives of the policy and communicate them to subordinates.
- b) Promptly record all transactions and payments in Binasat's books and records accurately and with reasonable detail.
- c) Ask the Managing Director / Chief Executive Officer if any questions about this Policy arise or if there is a lack of clarity about the required action in a particular situation.
- d) Always raise suspicious transactions and other "red flags" (indicators of bribery or corruption) to immediate superiors for guidance on the next course of action.
- e) Be alert to indications or evidence of possible violations of this Policy.
- f) Promptly report violations or suspected violations through appropriate channels.
- g) Attend required anti-bribery and anti-corruption training as required according to position.
- h) Not misuse their position or Binasat's name for personal advantage.

11.2 When dealing with Business Associates, all Binasat's Personnel shall not:

- a) Express unexplained or unjustifiable preference for certain parties.
- b) Make an attempt at dishonesty influencing their decision by offering, promising or conferring advantage.
- c) Exert improper influence to obtain benefits from them.
- d) Directly or indirectly offer or make promise or corrupt payments, in cash or in kind for a specific favour or improper advantage from them.



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12) CONFLICTS OF INTEREST

Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercise judgement on behalf of the Company. All personnel should avoid situations in which personnel interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, company's resources and assets, or information available to them for personal gain or the Company's disadvantage.

In situations where a conflict does occur, Personnel are required to declare the matter as per the Employees Handbook.

13) STAFF DECLARATIONS

All Binasat's Personnel shall certify 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 Human Resources Department for the duration of the Personnel's employment. A sample declaration can be found in the Appendix of this policy.

The Managing Director / Chief Executive officer reserves the right to request information regarding an employee's assets in the event that the person is implicated in any bribery and corruption related accusation or incident.

14) ANTI-BRIBERY AND ANTI-CORRUPTION COMPLIANCE FUNCTION

14.1 Binasat shall establish and maintain an Integrity Team to be responsible for all anti-bribery and anti-corruption compliance matters.

14.2 The Integrity Team shall perform functions below:

- a) Provide advice and guidance to Personnel on this Policy and issues relating to bribery and corruption.
- b) Take appropriate steps to ensure that there is adequate monitoring, measurement, analysis and evaluation of the anti-corruption compliance programme.
- c) Report on the performance of the anti-corruption programme to the management and Audit and Risk Management Committee regularly.

14.3 Appropriate resources shall be provided for effective operation of the anti-compliance programme and that the Integrity Team is staffed with the persons who have the appropriate competence, status, authority and independence.

14.4 Binasat shall conduct regular risk assessments to identify the bribery and corruption risks affecting the business, set anti-bribery and anti-corruption objectives, and assess the effectiveness of the controls in achieving those objectives.



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15) TRAINING AND AWARENESS

Binasat shall conduct awareness programme for all its Personnel on Binasat's position regarding anti-bribery and anti-corruption, integrity and ethics.

Training shall be provided on a regular basis, in accordance with the level of bribery and corruption risk related to the position.

Human Resources Department shall maintain records to identify which Personnel have received training.

Business Associates acting on behalf of Binasat shall undergo appropriate training, where a bribery and corruption risk assessment identifies them as posing bribery and corruption risk to Binasat.

16) SANCTIONS FOR NON-COMPLIANCE

Non-compliance as identified by the audit and any risk areas identified through this and other means should be reported to the top management and Audit Committee in a timely manner in accordance with the level of risk identified.

Binasat regards bribery and acts of corruption as serious matters and will apply penalties in the event of non-compliance to this Policy. For Binasat Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment.

For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that Binasat's interests have been harmed by the results on non-compliance by individuals and organisations.

17) RECORD KEEPING

The Group must keep financial records and have appropriate internal controls in place which will evidence that business reason for making payments to third parties.

- 17.1 Ensure all expenses claims relating to hospitality, gifts or entertainment incurred to third parties are submitted to Finance Department.
- 17.2 All accounts, invoices, memoranda and other documents and records relating to dealings with customers, supplies and business contracts, should be prepared and maintained with strict accuracy and completeness.



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18) REPORTING OF VIOLATIONS OF THE POLICY

Any Employee who knows of, or suspects, a violation of the Policy, is encourage to whistle blower report the concerns through the mechanism set out under the Group's Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the policy are available on the Company's website. No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of the Policy. All reports will be treated confidentially.

19) COMMUNICATION AND PUBLICATION OF THIS POLICY

This Policy is made accessible to all Employees, Directors and associated personnel on the Company's website at www.binacom.com.my. Any amendments to this Policy shall be communicated to them accordingly.

20) PERIODIC REVIEW

This Policy will be reviewed at least once every three (3) years to ensure its effectiveness and consistency with the applicable legislation and regulatory requirements.