



ANTI-BRIBERY AND CORRUPTION DUE DILIGENCE POLICY

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1. INTRODUCTION

MEASAT Global Berhad (“**MGB**”) and all its subsidiaries (each, a “**Company**”) strictly prohibit bribery and corruption in all their businesses. The Company adopts a **ZERO TOLERANCE APPROACH** against all forms and acts of bribery and corruption and is committed to operating in compliance with all applicable laws on anti-bribery and corruption and in accordance with the highest ethical and professional standards.

As such, the Company expects Third Parties¹ dealing with the Company to apply the highest ethical standards in their business relationships and to ensure that they have an appropriate anti-bribery and corruption compliance framework in place.

Therefore, before the Company enters into any business relationship or formal arrangement with a Third Party, the Company is obligated to conduct an appropriate Third Party anti-bribery and corruption due diligence to understand the business and background of its prospective business counterparties.

This Anti-Bribery and Corruption Due Diligence Policy (“**Policy**”) supports and complements the Company’s Anti-Bribery and Corruption Policy, Dealing with Third Parties Policy and Gifts, Hospitality and Travel Policy (collectively the “**ABC Policy**”) by providing practical, detailed due diligence process and monitoring procedures tailored to the specific corruption risks faced by the Company.

The objective of this Policy is to establish a standard guideline to ensure that the whole approach and process in performing the anti-bribery and corruption due diligence on Third Parties and subsequent monitoring of the Third Parties are consistent across the Company and in line with the ABC Policy.

Should you have any questions on the due diligence processes and procedures contained in this Policy, please contact the Company’s Compliance Officer.

2. APPLICATION

This Policy applies to all directors (executive and non-executive) and employees (permanent or contract) (collectively “**Employees**”) of the Company.

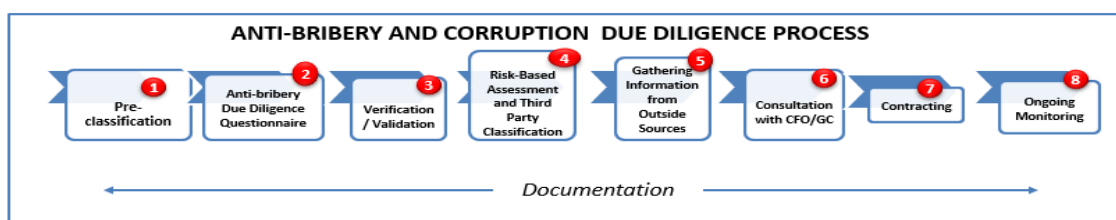
This Policy shall be effective on 30 July 2021.

3. THIRD PARTY ANTI-BRIBERY AND CORRUPTION DUE DILIGENCE PROCESS

The Company recognises that bribery and corruption risks may vary by location, type of transaction and counterparties. Accordingly, this Policy requires anti-bribery and corruption due diligence to be conducted on all Third Parties where the Employees should collate and evaluate information on the Third Party’s associations, compliance, qualifications, reputation etc., and to ascertain whether the business transaction would present any perceived risk of bribery and corruption to the Company.

¹ “Third Parties” includes, without limitation, agents, consultants, contractors, suppliers, transaction counterparties, clients, joint venture or consortium partners etc.

Below are steps to be taken in the anti-bribery and corruption due diligence process:



3.1 Pre-Classification

Prior to the commencement of the anti-bribery and corruption due diligence, the Third-Party shall be pre-classified. Anti-bribery and corruption due diligence process is **not required** for Third Parties that fall under the following List of Exempted Third Parties:

- (a) newspapers, magazine, journal providers or vendors;
- (b) professional bodies or trade associations in respect of membership subscription;
- (c) suppliers of rubber stamp, name plates for registered office, registered books and common seal;
- (d) notary public or commissioner for oaths in relation to performance of duties under the Notaries Public Act 1959 and Commissioners for Oaths Rules 2018;
- (e) government agencies e.g., SSM, IRB, MCMC, etc.;
- (f) parking providers;
- (g) seminar and training providers (non-negotiable rate and without customization);
- (h) established e-commerce online merchants, such as, Lazada, Shopee or the likes, which provide a public platform for the buying and selling of goods and services;
- (i) utility companies;
- (j) hotel and airline operators/travel agencies for hotel and flight ticket bookings (non-negotiable rate and without customization);
- (k) licensed financial institutions in relation to account opening/placements;
- (l) courier companies (non-negotiable rate and without customisation);
- (m) hospitals, clinics and dental clinics;
- (n) oil companies (for purchase of petrol only); and
- (o) any other Third Party providing services and/or supplies where the value of the transaction does not exceed RM5,000 per annum in the aggregate.

Pre-classification of Third Party is based on risk-related factors such as the nature of the transaction and background of the Third Party.

3.2 Anti-Bribery and Corruption Due Diligence Questionnaire

Prior to entering into any business relationship or formal relationship with a Third Party, the Procurement Department must:

- (a) send the Anti-Bribery and Corruption Due Diligence Questionnaire (“**Questionnaire**”) appended in **Appendix A**, to the Third Party. The Questionnaire is designed to gather the necessary information on the Third Party (such as its associations, compliance with anti-bribery laws etc.) to assist in determining whether the Company may conduct business with the Third Party; and
- (b) provide a copy of the ABC Policy to the Third Party which reflects the Company’s zero tolerance approach to bribery, corrupt and unethical practices.

3.3 Verification/Validation

- (a) Upon receiving the completed Questionnaire from the Third Party, the Procurement Department shall perform the following:
- (i) review the completed Questionnaire submitted by the Third Party and ensure all information and supporting documents are provided; and
 - (ii) identify any gaps or inconsistencies in the information collected through the Questionnaire. In the event there are gaps or inconsistencies, or any alarming fact that has been discovered during this process, the Procurement Department should consult the VP of Finance, request further information from the Third Party and/or consult any other HODs or third parties known to the Company (on a confidential basis) who may have had prior dealings with the Third Party to help ensure objectivity by allowing a second set of independent eyes to weigh in on the findings. If required, phone interviews may be conducted, or site visits be made to address any outstanding issues.
- (b) The information collected should be tested against a “red flag” checklist. Red flags refer to circumstances suggesting a corruption risk that should be properly identified and mitigated through adequate safeguards. Please refer to **Appendix C of the Dealing with Third Parties Policy** for the list of general “red flags”. Please note that the list of general “red flags” in Appendix C of the Dealing with Third Parties Policy is not intended to be exhaustive, and the Procurement Department is required to consider all relevant information and circumstances to identify any other real and/or red flags.
- (c) The identification of a red flag does not mean that the Company cannot proceed with the business relationship with the Third Party. However, no red flag should be left unaddressed or unresolved, and mitigating measures should be implemented that reflect the level of seriousness of the red flag(s) identified.

3.4 Risk-Based Assessment and Third Party Classification

- (a) The Company recognises that it may not be practical to conduct an in-depth anti-bribery and corruption due diligence on every Third Party the Company considers contracting with, as the extent of corruption risks differ according to parties and type of transactions. Therefore, a risk-based assessment shall be conducted on the Third Party to classify the risk category of the Third Party in order to determine the appropriate level of due diligence to be conducted on the Third Party. This will allow resources to be allocated and utilised in the most efficient and effective manner.
- (b) Upon completion of the verification/validation process by the Procurement Department, the VP of Finance shall conduct a risk-based assessment based on **Table 1** below which provides an understanding of the factors to be considered in a risk-based assessment and how to determine whether the Third Party represents a high or low corruption risk. The outcome of this assessment will determine the extent of due diligence required.

Table 1

Risk Category	Definition	Type of Due Diligence
High-Risk Third Parties	<ul style="list-style-type: none">• If there are 8 or more “YES” answers to the questions in Section B of the Classification Checklist in Appendix B; or	The following due diligence steps are required:

Risk Category	Definition	Type of Due Diligence
	<ul style="list-style-type: none"> • Third Party is Government/Public Officials (as defined in the Questionnaire), or owned by or connected to Government/Public Officials (directly or indirectly); or • Third Party is likely to use other parties (sub-agents, consultants, venture partners, business associates etc.) during the performance of the proposed transaction with the Company; or • Third Party (or other parties) is incorporated and/or has its primary business operations operates in a foreign country which has a scores below 50 points in the Corruption Perceptions Index published by Transparency International (“TI”)²; or • Third Party is subject to any international sanctions; or • Third Party is under investigation or has been investigated/charged with bribery offences. 	<ul style="list-style-type: none"> • To evaluate and document the business justification for the relationship; • To conduct global risk screening on the Third Party and its owner, partner, shareholder, principal, Beneficial Owner (in each case, holding not less than 20% of the voting shares in the Third Party, directly or indirectly), Directors, and Key Senior Executives (as defined in the Questionnaire) with the assistance from the Compliance Officer, i.e., sanctions and watch lists, etc.; • To conduct adverse internet and media search on the Third Party and its owner, partner, shareholder, principal, Beneficial Owner (in each case, holding not less than 20% of the voting shares in the Third Party, directly or indirectly), Directors and Key Senior Executives in local language(s) and/or English; and • To consult with the Chief Financial Officer (“CFO”) and/or General Counsel (“GC”) before presenting the proposed transaction, mitigation measures or actions to address any issues of concerns or red flags to the Board of Directors of the Company (“Board”) for approval.
Medium-Risk Third Parties	<ul style="list-style-type: none"> • If there are at least 2 “YES” answers to the questions in Section B of the Classification Checklist in Appendix B; or • Third Parties may interact with Government/Public Officials on behalf of the Company, such as immigration agents, customs brokers, licensing consultants, freight forwarders, transportation companies, lawyers interacting with judicial or other Government / 	<p>The following due diligence steps are required:</p> <ul style="list-style-type: none"> • To conduct global risk screening on Third Party and its owner, partner, shareholder, principal, Beneficial Owner (in each case, holding not less than 20% of the voting shares in the Third Party, directly or indirectly), Directors, and Key Senior Executives (as defined in the Questionnaire) with the assistance from the

² Transparency International publishes annually its Corruption Perceptions Index (“**CPI**”) which ranks countries in the world from being “highly corrupt” to “very clean”.

Risk Category	Definition	Type of Due Diligence
	Public Officials and tax advisors interacting with tax authorities.	Compliance Officer, i.e. sanctions and watch lists, etc.; and <ul style="list-style-type: none"> • To conduct adverse internet and media search on Third Party and its owner, partner, shareholder, principal, Beneficial Owner (in each case, holding not less than 20% of the voting shares in the Third Party, directly or indirectly), Directors and Key Senior Executives in local language(s) and/or English. • At the discretion of the VP of Finance, to consult with the CFO and/or GC before recommending whether to proceed with the business case.
Low-Risk Third Parties	<ul style="list-style-type: none"> • All other Third Parties. 	<ul style="list-style-type: none"> • No further due diligence steps are required to be taken.

- (c) The Procurement Department/VP of Finance shall complete the Third Party Classification Checklist (“**Classification Checklist**”) attached as **Appendix B** herein, which sets out some of the common red flags that may arise during the verification/validation process as well as factors which will classify the Third Party as Low, Medium or High risk.
- (d) If any issues of concern or “red flags” are identified in connection with a Third Party during the verification/validation process, the VP of Finance should propose and set out the mitigating measures or actions to address the “red flags”.

3.5 Gathering Information from Outside Sources

- (a) Upon completing the Classification Checklist, the VP of Finance must conduct the appropriate anti-bribery and corruption due diligence steps as set out in **Column 3 of Table 1** above on the Third Parties according to the risk level.
- (b) In respect of searches, the assistance of an external due diligence service provider may be needed to undertake a global risk screening which covers politically exposed persons, close associates, family members, government or state-owned entities, state invested enterprises, global regulatory and law enforcement lists etc.
- (c) If further red flags are identified from the results of the searches conducted, the VP of Finance should consult the CFO and/or GC to decide whether additional due diligence steps are required.

3.6 Consultation with the CFO and/or GC

(Applicable to High Risk Third Parties or Medium Risk Third Parties should the VP of Finance decide to obtain consultation from the CFO and/or GC)

- (a) In respect of a High Risk Third Party, upon completion of the searches, the VP of Finance together with the Compliance Officer, shall consult with the CFO and/or GC whether it is worth proceeding with the business relationship with the Third Party vis-à-vis the risks identified, before presenting the proposed transaction (including any mitigation measures or actions to address any issues of concerns or red flags) to the Board for approval.
- (b) While consulting the CFO and/or GC, the VP of Finance shall ensure that the following documents are provided for his/her consideration:
 - (i) all “red flags” identified during the verification/validation process or from the result of the searches;
 - (ii) any proposed mitigating measures and monitoring activities;
 - (iii) a final risk classification (i.e., low, medium or high risk);
 - (iv) all the searches done on the Third Party; and
 - (v) business justification to engage the Third Party.
- (c) For Medium Risk Third Party, the VP of Finance has the discretion whether to consult the CFO and/or GC before proceeding with the business case.

3.7 Contracting

- (a) The Legal Department must ensure that the agreements to be entered into between the Company and the Third Parties shall contain anti-bribery and corruption clauses in accordance with the specimen clauses stated in the ABC Policy, where applicable.
- (b) The Procurement Department must ensure that the Third Party does not commence the business transaction or approve any payment before the due diligence is approved and the contract is executed.

3.8 Ongoing Monitoring

- (a) Upon the contract being entered into with the Third Party, the performance of and/or ongoing relationship with the Third Party should be monitored by the Procurement Department throughout the term of the contract to ensure continual compliance with the ABC Policy by the Third Party. Any concerns or issues arising during the monitoring process should be highlighted immediately to the Compliance Officer. Such monitoring process should include, where applicable:
 - (i) insist on documentation or justification before approving any payment;
 - (ii) check whether all charges or fees are supported by the contract or other relevant documentation;
 - (iii) query unusual or excessive charges; and

- (iv) refuse to pay the Third Party and notify the Compliance Officer upon being aware of any illicit or questionable payments made on the Company's behalf by the Third Party.
- (b) Wherever there is a change in circumstances (e.g., a material change to the corporate structure of the Third Party or new "red flags" arise), the Procurement Department must assess the bribery risk (if any) arising from such changes and whether there are any available mitigating measures that could be put in place. Thereafter, the Procurement Department shall notify the VP of Finance and thereafter, if required ask the Compliance Officer for direction.
- (c) Ongoing monitoring requires the Procurement Department and Compliance Officer to work closely to inform each other of any material change of information or red flags on the Third Party which may pose a greater risk of corruption.
- (d) For High-Risk Third Parties, the Procurement Department should during the term of the contract, undertake the following additional monitoring activities to supervise the conduct of the Third Parties:
 - (i) reiterate the Company's anti-bribery and corruption expectations to the Third Party at least annually, and document the contents of such discussions;
 - (ii) review and conduct an updated risk-based assessment on the Third Party annually; and
 - (iii) conduct recurring internet and database searches to identify new "red flags" from time to time.

4. ANTI-BRIBERY AND CORRUPTION DUE DILIGENCE RENEWAL

- (a) Anti-bribery and corruption due diligence covers a finite time and must be updated at least once every 3 years to identify new "red flags" that may have developed since the first due diligence was approved. The due diligence shall also be performed as and when there is a change in circumstances (e.g., a material change to the structure of a Third Party, newly identified "red flags" or if Third Party begins providing new services).
- (b) In the event the contracts with the Third Parties have expired, no anti-bribery and corruption due diligence update is required unless there is a renewal in the contracts or business relationship.
- (c) Any anti-bribery and corruption due diligence that has been concluded may later be used for the same Third Party, provided that:
 - (i) the nature of the service remains the same;
 - (ii) subject to Paragraph 3.8(d)(ii) above, the due diligence is not older than 3 years; and
 - (iii) there is no change to the information last submitted by the Third Party through the Questionnaire to the Company, and there are no grounds to believe that the risk classification of the Third Party has increased. In this instance, the Third Party shall sign a confirmation letter confirming that there is no change of information from the last submitted Questionnaire.

5. RECORD KEEPING

Documentation related to dealing/engagement of the Third Parties must be retained to demonstrate that the Company has taken reasonable precautions to avoid involvement in corrupt activities or with corrupt actors by providing evidence of credible due diligence, decision making, contracting and monitoring. The relevant documents should at a minimum include the following:

- (a) Due Diligence Process Documentation (of which the Procurement Department and Compliance Officer shall be custodians):
 - (i) completed Questionnaire including any supporting documents provided by the Third Party;
 - (ii) completed Classification Checklist;
 - (iii) information gathered from internet and media search (compiled by the Procurement Department);
 - (iv) all search results conducted on the Third Party;
 - (v) all business intelligence reports from reputable service providers;
 - (vi) any other due diligence materials gathered during the due diligence process; and
 - (vii) where applicable, the agreement or contract evidencing the transaction or engagement.
- (b) Agreements or contracts evidencing the transaction/engagement, including, without limitation, purchase order, delivery order, invoices etc. (to be retained by the relevant business units or Finance Department, as the case may be).
- (c) Monitoring Related Documentation (of which the Procurement Department and Compliance Officer shall be the custodian of such documents)
 - (i) documents evidencing the annual renewal or update of the risk assessment and due diligence processes for High-Risk Third Parties;
 - (ii) documents relating to recurring internet and database searches to identify new “red flags” for High-Risk Third Parties; and
 - (iii) documents evidencing any additional monitoring done on Third Parties, where performed.

[End of Policy]

APPENDIX A - ANTI-BRIBERY AND CORRUPTION DUE DILIGENCE QUESTIONNAIRE

(to be completed by Third Party)

(as attached)

APPENDIX B - THIRD PARTY CLASSIFICATION CHECKLIST

(to be completed by Procurement Department except for Sections C and D to be completed by VP of Finance)

Complete the following Checklist based on review of the information collected.

SECTION A: THIRD PARTY INFORMATION			
Third Party's Name:			
Registered Place of Business/Address:			
Phone Number:			
SECTION B: RED FLAGS			
1.	There has been difficulty in obtaining the required information from the Third Party.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	Third Party provided incomplete or inaccurate background information.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3.	Third Party misrepresented or provided inconsistent information during the due diligence process; or Third Party refused to cooperate in the due diligence process.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4.	Third Party refused to divulge the identity of owners, principals, shareholders, partners, Beneficial Owners, Directors or Key Senior Executive.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5.	Third Party does not have in place any anti-corruption policies or sufficient awareness of anti-corruption laws.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6.	Third Party was recently created, incorporated or organized.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7.	There were anti-bribery and corruption red flags identified when verifying and validating the Questionnaire and information provided by Third Party.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8.	There are allegations of corruption against the Third Party or any of its owners, partners, shareholders or principals.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9.	The Third Party is not charging a fair market price for their services <i>(a company paying bribes may often charge more for its services in order to create a slush fund to pay bribes).</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.	Will the Third Party use other parties (sub-agents, consultants, venture partners, business associates etc., collectively, referred to as " Subcontractors ") outsource any of its services in relation to the current proposed contractual/commercial relationship with the Company? <i>(If your answer is "No", you may proceed to Question 13)</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

11.	The Third Party and/or the Subcontractors, their present or former Directors, Key Senior Executives or any of their shareholders or Beneficial Owners (in each case, holds no less than 20% of the voting shares, directly or indirectly), has been suspended from doing business in any capacity in the past 5 years by any regulatory authority or charged with any criminal offence or have been investigated by any government authority in relation to any allegations of fraud, bribery, misrepresentation or other activities.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12.	There are no anti-bribery and corruption due diligence, or monitoring performed on the Subcontractors.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
13.	The Third party is a Government /Public Official.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
14.	Third Party's owners, principals, shareholders, partners, Beneficial Owners (in each case, holding not less than 20% of the voting shares in the Third Party, directly or indirectly), Directors, Key Senior Executives have been designated as a Politically Exposed Person.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15.	There will be interaction between the Third Party with any Government/Public Officials with respect to the intended contractual/commercial relationship with the Company.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
16.	There are red flags associated with the Third Party e.g. evidence of adverse news related to the Third Party, negative news on bribery and corruption, legal actions, etc.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Please provide additional comments below regarding any "red flag" identified or noted above. Comments should include additional details on each of the "red flags" identified, including any mitigating measures or proposed actions or steps to address the "red flag".

"Red Flag" No.	Comments

SECTION C: THIRD PARTY RISK LEVEL

<input type="checkbox"/> HIGH RISK <ul style="list-style-type: none"> • If there are 8 or more "YES" answers to the questions in Section B; or • Third Party is Government /Public Official or connected to Government / Public Officials (directly or indirectly); or • Third Party is likely to use other parties (sub-agents, consultants, venture partners, business associates etc.) during the performance of the proposed contractual/commercial transaction 	<input type="checkbox"/> MEDIUM RISK <ul style="list-style-type: none"> • If there are at least 2 "YES" answers to any of the questions in Section B; or • Third Party may interact with Government/Public Officials on behalf of the Company, such as immigration agents, customs brokers, licensing consultants, freight forwarders, transportation companies, lawyers interacting with judicial or other Government/Public Officials and tax 	<input type="checkbox"/> LOW RISK (<i>proceed as no "red flags" identified</i>) <ul style="list-style-type: none"> • All other Third Parties
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<p>with the Company; or Third Party (or their Subcontractors) is incorporated and/or has its primary business operations in a foreign country operates in a country which has a scores below 50 points in the of Corruption Perceptions Index published by Transparency International; or</p> <ul style="list-style-type: none"> • Third Party is subject to any international sanctions; or • Third Party is under investigation or has been investigated/charged with bribery offences. 	<p>advisors interacting with tax authorities.</p>			
<p>Third Party's risk level</p>	<input type="checkbox"/> High Risk	<input type="checkbox"/> Medium Risk	<input type="checkbox"/> Low Risk	
<p>Based on the information provided and, in your opinion, do you feel that the "red flags" that have been identified have been adequately mitigated?</p> <p>Please also set out the basis for your response in the comment section.</p>	<input type="checkbox"/> Yes		<input type="checkbox"/> No	
<p>Comment:</p>				
<p>SECTION D: CERTIFICATION</p>				
<p>To the best of my knowledge, all information set forth in this Third Party Classification Checklist is correct and complete, and there is no omission of facts that might be important to the Company's evaluation of the Third Party.</p>	<p>Signature:</p> <p>Name:</p> <p>Designation:</p> <p>Date:</p>			

[End of Appendix B]