



# **Donations and Sponsorships Policy**

## 1 S P Setia's Donations and Sponsorships Policy

- 1.1 This policy governs donations made by S P Setia, Employees, Directors or Third Parties acting in a business capacity for and on behalf of S P Setia (the **Policy**). This Policy also sets out the circumstances in which S P Setia may make sponsorships to individuals or entities, including in relation to events.
- 1.2 This Policy should be read in conjunction with S P Setia's Anti-Bribery and Corruption Policy, S P Setia's Code of Conduct and Business Ethics.

## 2 Defined Terms

- 2.1 **Director** means a Director appointed to a Board of Directors of S P Setia.
- 2.2 **Employee** means any individual working at any level or grade under the management, operation and supervision of S P Setia regardless of the name of the agreement between the parties, including officers, senior managers, trainees, secondees, agency staff, volunteers, interns, of S P Setia, whether full-time, part-time, permanent, fixed-term or temporary.
- 2.3 **Integrity and Governance Unit** or **IGU** means the integrity and governance unit of S P Setia which has the primary and day-to-day responsibility for implementing and overseeing this Policy, and for monitoring its use and effectiveness.
- 2.4 **Head** means, in relation to an Employee, the head of a business unit, head of a support unit, a Divisional General Manager, an Executive Vice President, a Senior Executive Vice President, Chief Operating Officer or Chief Executive Officer, within the Employee's reporting line.
- 2.5 **\*Public Official** means an individual who: (i) holds a legislative, administrative or judicial position of any kind; or (ii) who performs public duties or exercises a public function for or on behalf of a country or territory (or subdivision thereof) or for any public agency or enterprise

(including government linked companies and enterprises, and state-owned or state-controlled companies and enterprises); or (iii) is an official or an agent of a public international organisation (such as the United Nations or similar body).

*\* In relation to Japan only, public officials include “deemed public officials (minashi-momuin)” who are officers and employees of specific private sector companies. Examples of “deemed public officials” are directors, officers or employees of the Japan Racing Association, Japan Post, major telecommunications companies (Nippon Telegraph and Telephone) and major railway companies (Tokyo Metro). You are to seek assistance from Group Legal to obtain the current list of such “deemed public officials” from S P Setia’s Japanese foreign counsel.*

- 2.6 **Sponsorship Register** is a register to be implemented and maintained by the IGU for the purpose of this Policy.
- 2.7 **S P Setia** means S P Setia Berhad and its subsidiaries and any business which is directly or indirectly (i) wholly or majority owned; or (ii) controlled; or (iii) managed by S P Setia Berhad, details of which are available at: <https://www.spsetia.com/en-us/corporate/business-performance/investor-relations>.
- 2.8 **Third Party / Third Parties** includes anyone who at any time performs (or who is intended to perform) services for or on behalf of any entity in S P Setia, including anyone who is engaged (by contract or otherwise) or paid to represent any entity in S P Setia such as suppliers, distributors, business contacts, agents, representatives, intermediaries, middlemen, introducers, sponsors, consultants, contractors, advisers, and potentially Public Officials.
- 2.9 **You** or **Your** means any person subject to this Policy.

### **3 Political Donations**

- 3.1 S P Setia, its Employees, Directors or Third Parties are not permitted, under any circumstances, to make donations (in cash or in kind) in respect of any political activities, including donations to political candidates, political officials, political parties or political fund organizations on behalf of S P Setia. In kind contributions could include participation in political campaigns during paid working hours and / or the use of administrative support, S P Setia facilities, equipment and supplies.
- 3.2 If you become aware or have reason to suspect that an Employee or Director of S P Setia or a Third Party may have made or may intend to make a political donation on behalf of S P Setia, this must be reported to the IGU.
- 3.3 Notwithstanding the above prohibition, all Employees and Directors of S P Setia and Third Parties remain entitled to participate in the political process in their individual capacity and not as a representative of S P Setia. Any decision to do so is entirely personal and voluntary and is a private matter.
- 3.4 When engaged in political activities, all Employees and Directors of S P Setia and Third Parties are expected to do so as private individuals, and at all times must make it clear that their views and actions are their own, and not those of S P Setia.
- 3.5 Employees and Directors of S P Setia and Third Parties must not use their position within S P Setia to coerce or pressure other Employees or Directors or Third Parties to make contributions to or support or oppose any political candidates, political officials, or political parties.

## 4 Charitable Donations

- 4.1 S P Setia is proud of its strong commitment to the communities in which it operates. While charitable contributions are encouraged, all contributions must be made in accordance with our high ethical standards and in compliance with all applicable laws.
- 4.2 Charities regularly have connections to Public Officials and current or prospective business partners and vendors. In some circumstances, there is therefore a risk that charitable donations can be intended to improperly influence certain individuals or entities who have a connection to the charity in question. As such, charitable donations are a potential risk area for violations of S P Setia's Anti-Bribery and Corruption Policy.
- 4.3 In particular, charitable donations by S P Setia in its own name should be made with the following objectives in mind:
- (a) Performing initiatives which cater for the relief of distress amongst individuals and/or organisations affected by epidemics of diseases, natural disasters or other similar emergencies.
  - (b) Providing assistance in meeting the needs of individuals who are underprivileged, disabled, poverty stricken or critically ill.
- 4.4 In addition to the charitable activities set out above, S P Setia may on occasion make donations to an independent charitable foundation, S P Setia Foundation, a registered trust in Malaysia under the Trustees Incorporation Act 1952 (the **Foundation**). The trustees of the Foundation are regulated by the terms of the trust.
- 4.5 S P Setia may from time to time organise a function in order to raise funds to be paid to the Foundation. All proceeds raised at the function will be paid to the Foundation and will not be used by S P Setia for any other purpose. S P Setia shall not request or expect that attendees make

donations at the function in exchange for any business favour or benefit from S P Setia.

- 4.6 A charitable donation should never be made if:
- (a) It is an indirect way of conferring a personal benefit on a Public Official, Third Parties, politicians, political party or its official or, the respective family members, relatives, representatives and/or business partners of any Public Official, Third Parties, politicians or political party official.
  - (b) There is an expectation that something will be given in exchange (for example a purchasing or other decision affecting S P Setia's interests).
  - (c) It is made as part of a bid for a contract.
  - (d) It is not given directly in good faith and is not reasonable in value and frequency.
  - (e) It is not in compliance with applicable laws, rules and regulations.
  - (f) It is not given in an open and transparent manner.
  - (g) The receiving organization has not had satisfactory due diligence checks and searches carried out on it by S P Setia to confirm that the receiving organization is a valid organization and will use the charitable donation in accordance with the objectives as set out in this policy (and in particular, paragraph 4.3 above in respect of donations made) and that there are no conflicts of interest or apparent risks of unethical or corrupt behavior.
- 4.7 All Employees and Directors of S P Setia and Third Parties are entitled to make charitable donations in their individual capacity and not as a representative of S P Setia. Any decision to do so is entirely personal and voluntary and is a private matter.

## **5 Sponsorships**

- 5.1 Sponsorships differ from donations (whether political or charitable), although the same considerations apply to both sponsorships and

donations. A sponsorship is the grant of a right to associate S P Setia's name, products and services with the sponsored individual or organization's service, product or activity in return for negotiated benefits. This right may be obtained through financial contributions or the provision of in-kind goods or services. The sponsored party may be an individual or an entity and the sponsorship may relate to the organization of an event.

5.2 The provision of sponsorships may, however, in some circumstances, give rise to the risk that its provision may be intended – or perceived to be – for the obtaining of an improper advantage. Therefore, care must be taken to ensure that any sponsorship activities do not create, or appear to create, an improper advantage for S P Setia.

5.3 The following principles should apply to sponsorships given by S P Setia:

- (a) The sponsorship must not be made in conjunction with, as part of, or in relation to the negotiation of any bid, tender, contract renewal or prospective business relationship with parties associated with the receiving individual or entity;
- (b) The sponsorship will not be used directly or indirectly to improperly influence any person's act or to make a decision in favour of S P Setia, including in the granting of licences, permits or approvals;
- (c) The sponsorship should be intended to enhance S P Setia's institutional image, reputation and standing. There should not be any apparent risk to S P Setia's reputation and standing arising from the sponsorship;
- (d) There should not be any conflict of interest, or any perceived conflict of interest, between S P Setia, its Employees and/or Directors and the sponsored individual, entity or event;
- (e) S P Setia must assess the specific obligations that must be undertaken as result of the sponsorship prior to the grant of the sponsorship;
- (f) The level of sponsorship provided should correspond with the level of benefit received by S P Setia, which can include the enhanced institutional image, reputation and standing of S P Setia;

- (g) S P Setia forbids any Employee or Director directly or indirectly from providing any sponsorship in the course of his/her employment as a way to obtain a personal advantage in a commercial transaction; and
- (h) The sponsorship must not be made in relation to any political activities.

5.4 S P Setia may exercise its discretion to provide sponsorship to an individual or entity, including in relation to an event. However, commercial justification for the sponsorship must be provided. The following considerations are non-exhaustive and may apply to S P Setia's decision as to how sponsorships should be granted:

- (a) The sponsorship may result in the generation of sales for S P Setia's properties;
- (b) An increase in footfall at S P Setia developments may indirectly generate revenue for S P Setia (for example, a sponsored concert at one of S P Setia's developments may indirectly increase the revenue of the S P Setia's tenants at that development or result in the generation of sales of S P Setia's properties at those developments);
- (c) The perceived improvement or strengthening of S P Setia's institutional image and its developments from the perspective of S P Setia's targeted audience;
- (d) The perceived improvement or strengthening of S P Setia's institutional image via positive media relations and coverage of S P Setia's developments, products and services;
- (e) The strengthening of S P Setia's institutional image and presence within the industry; or
- (f) The enhancement of S P Setia's corporate citizenship and/or promotion of S P Setia's Corporate Social Responsibility activities.

5.5 S P Setia must not use sponsorships to strengthen general relationships for improper or corrupt purposes. The granting of sponsorships is subject to due diligence and must be analysed by the authorised Employees



within the relevant business unit or support unit, in consultation with IGU. The Employees responsible for the conduct of due diligence and reviewing of sponsorship requests should have consideration of the following:

- (a) An understanding of how the sponsorship will be used. In addition, the relevant Head responsible for raising the sponsorship application must be satisfied that the sponsorship will not be used directly or indirectly to improperly influence any person's act or to make a decision in favour of S P Setia. In particular, it should be clear at the outset that S P Setia will not be receiving any benefit other than those derived from its association as sponsor with the individual, entity or event;
- (b) Whether there are any current, pending or potential business relationships with any parties associated with the receiving individual or entity and the risks of whether the sponsorship activity would create, or appear to create, an improper advantage to S P Setia, its Directors and/or Employees;
- (c) Whether any possible conflicts of interest may arise from any current, pending or potential business relationships between S P Setia, its Directors and/or Employees with the receiving individual or entity or parties associated with it;
- (d) Whether the receiving entity's culture or ethical values are aligned with S P Setia's;
- (e) Whether there is a history of bribery-related issues or other irregularities involving the receiving individual or entity;
- (f) The mode in which the sponsorship will be paid, e.g. will the sponsorship be paid via bank transfer to a bank account in the name of the receiving individual or entity and in which country location; and
- (g) Whether the amount of sponsorship commensurates with the stated purpose of and anticipated benefits from the sponsorship.

5.6 If it is discovered upon conducting due diligence on the receiving party that it is affiliated with a government-related entity, Public Official,

political candidate, political official, and/or political party or in respect of any political activities, such affiliations or activities should be fully and accurately disclosed including details relating to government department/branch or political party; the nature of the affiliate's control and extent of ownership of the receiving party, the key officers and directors of the affiliate and any other relevant information; and whether there are any ongoing or contemplated transactions or applications for the granting of licences, permits or approvals with the relevant government entity or Public Official.

5.7 The relevant Head responsible for the sponsorship application shall record or ensure that the sponsorship, on approval, shall be recorded in the Sponsorship Register. The Sponsorship Register shall be monitored by the IGU. The IGU will provide further information in respect of the Sponsorship Register under the standard operating procedure on sponsorships.

5.8 For further information on S P Setia's existing framework and guidelines on the approval of sponsorships, please refer to the applicable standard operating procedure.

## **6 Reporting**

6.1 If a current or prospective business partner, customer, Public Official, charitable organization, political candidate or party official promises or offers any benefit, or makes any threat, in connection with a donations (whether charitable or political) or sponsorship request, the request should be denied and the incident should be reported to the IGU. Please refer to the Whistleblowing Policy for detailed guidance.

## **7 Your Responsibilities**

7.1 You must ensure that you read, understand and comply with this Policy and the relevant standard operating procedures.

- 7.2 You are required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 7.3 You must notify your Head or the IGU as soon as possible if you genuinely believe or suspect that a breach of this Policy has occurred, or may occur in the future.
- 7.4 It is a disciplinary offence for you to not comply with the terms of this Policy.

This policy has been approved by the Board of Directors on 23 November 2021.