

AVOIDING CONFLICTS OF INTEREST



Why it matters

In order to be collectively successful and for our business to thrive, we need to make the best business decisions possible.

A conflict of interest arises when a family or personal interest interferes with our ability to make sound, objective business decisions on behalf of our Company. The basic factor in all conflict of interest situations is the division of loyalty (or a perception of a conflict of loyalty) between your personal interests and Paramount's interest.

We must always act in the best interests of Paramount whenever we negotiate, make business recommendations, and conduct commercial dealings with third parties, suppliers, customers, or contractors. Even the appearance of a conflict of interest can undermine our integrity and reputation with our co-workers, customers, suppliers, and the public.

Therefore, we take steps to avoid and disclose any divisions of loyalty between Paramount's best interests and our own personal interests and relationships. Paramount's review of any disclosure of a conflict or potential conflict will always take local law into account.

Examples of conflicts of interest:

- Working for, or receiving compensation from, a Paramount customer, supplier or competitor, or an analyst who covers Paramount or our industry.
- Engaging a supplier owned or managed by a relative.

- Having a personal financial interest in a Paramount transaction.
- Accepting a gift from a supplier in violation of Company policy.
- Missing Paramount work responsibilities because of a second job.
- Accepting an external position (e.g. – employment or a board seat) that has not been formally disclosed and approved.
- Steering business opportunities we discover in the course of our work to our personal networks, when that partnership may not be in Paramount's best interests.

What should you disclose as a potential conflict?

Q: Suppose your family member or close friend owns a business that supplies goods or services to Paramount. Are you required to disclose this as a potential conflict of interest?

A: Yes, even if you are not responsible for making any decisions that directly affect the supplier, you should disclose it. Paramount's review may determine there's no actual conflict of interest.

If, on the other hand, you are responsible for purchasing decisions that affect the supplier, Paramount may determine that the situation is an actual conflict of interest and will introduce an appropriate remedy.

What it looks like in our day-to-day work

- Never allowing our family and close personal relationships to interfere with our business decisions or our work environment.
- Promptly disclosing to Paramount any potential or actual conflicts of interest via the [Disclosure Form for Potential Conflicts of Interest](#) on Paramount's online training website; updating and resubmitting our disclosure anytime our circumstances change.
- Avoiding any investments, financial interests or other relationships motivated by personal business concerns that might influence, or appear to influence, our decisions when conducting business on Paramount's behalf.
- Not accepting fees, commissions or other personal benefits from any person or business involved in any transaction with Paramount that could appear to influence decisions when conducting business on Paramount's behalf.

For more information contact the [Office of Global Compliance](#).



AVOIDING CONFLICTS OF INTEREST

What are conflicts of interest?

It sounds like a strange legal term, but it's really quite simple – as employees, it's expected that we'll make *business* decisions in the *Company's* best interests.

A conflict of interest occurs when you encounter a business decision where you feel torn in your loyalty. Because of your concern for your outside relationships or things that are important to you personally, it's harder for you to make an objective decision in Paramount's best interest. You feel or appear to be "conflicted".

There are lots of reasons you could feel conflicted.

A common example:

- Your team at Paramount is considering hiring an external producer. There are a lot of good contractors who would do an excellent job, but your best friend is also a producer.
- Now you need to make the best business decision for Paramount when choosing which producer gets hired, but you also hope your best friend gets selected.

So, in this case, you may have ...a conflict of interest.

What should you do if you may have a conflict of interest?

- Conflicts of Interest are very common. They frequently occur at work and addressing them is very easy.
- Disclose all potential conflicts of interest in advance.
- Conflicts of interest aren't determined by whether you personally conclude that you can remain objective. The issue hinges on whether someone else could reasonably believe you might not be able to make an objective business decision. That's why if there's even the appearance of a conflict of interest (or you believe someone looking at the situation could reasonably conclude you appear to have one), you should immediately disclose it.
- You disclose it by logging into [this website](#).
- Once you've logged in, on the left side of the screen there should be a link to a Disclosure Form for Potential Conflicts of Interest. The form takes about 5 minutes to complete.

What conflicts of interest most typically occur at Paramount?

Although it's impossible to describe every potential conflict of interest, there are some common areas where they arise:

- 1 Giving and receiving gifts, entertainment, and other business courtesies.
- 2 Investments and business interests.
- 3 Interacting on work matters with relatives and close friends.
- 4 Opportunities discovered in the course of our work.
- 5 Disclosing outside employment or board opportunities which could interfere with your job duties.

On the following pages we provide guidance for avoiding such conflicts of interest.

GIVING AND RECEIVING GIFTS & ENTERTAINMENT AND OTHER BUSINESS COURTESIES

Gifts, meals, and entertainment are part of doing business. They can promote goodwill and enhance business relationships.

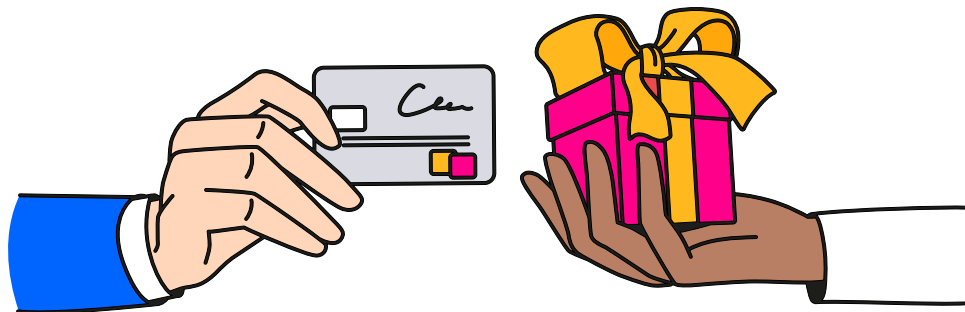
Gifts should never affect, or appear to affect, our impartial business decisions or that of an outside party, nor should they be offered or received in exchange for preferential treatment in any business dealing.

When making a determination on whether giving or accepting gifts, meals or entertainment is appropriate to promote relationships, we always follow the provisions of the [Business Conduct Statement](#) and the relevant [Paramount Travel & Expense Policy](#).

Q: Do I need to disclose all gifts, entertainment, or other favors that I receive?

A: If a current or would-be supplier, customer or competitor of the Company offers you entertainment, tickets, meals, gifts, discounts, services, transportation, or favors that:

- Are valued at more than \$500 (US dollars or an equivalent amount in your local currency), or:
- Create an obligation or could influence your decision-making in any way, regardless of value – then you should immediately disclose what you have received before accepting the gift using the [Disclosure Form for Potential Conflicts of Interest](#).



What it looks like in our day-to-day work

- ▶ Never accepting fees, commissions, or any other personal benefit (other than as permitted under the relevant [Paramount Travel & Expense Policy](#)) from any person or business involved in any transaction with Paramount.
- ▶ Disclosing any gifts or entertainment valued at more than \$500 USD (or the equivalent amount in your local currency).
- ▶ Never offering or supplying entertainment, transportation, gifts, or other favors to any person in a business relationship with the Company, other than those reasonable and appropriate for the individuals involved and the business at hand (see the relevant [Paramount Travel & Expense Policy](#)) for specific limitations on giving and receiving things of value.
- ▶ Never soliciting or accepting money for one's personal benefit in any amount from a current or potential supplier, customer, or competitor of our Company.

INVESTMENTS AND BUSINESS INTERESTS



Many employees have private investments or personal business interests. However, at Paramount, we are careful to avoid any financial or other relationship that might influence, or appear to influence, our decisions when conducting business on Paramount's behalf. We do this by disclosing any relevant investments and business interests.

You should not have a financial interest in enterprises belonging to suppliers, competitors, or enterprises that we know (or should have known) have a business relationship with Paramount – without prior disclosure and approval.

- Q:** Can I maintain a financial interest in a company that does business with Paramount?
- A:** With prior consent, (i.e. – if you have disclosed it and it is approved) you may be able to maintain a financial interest in a company that does business with Paramount.
- Q:** What if I own an immaterial amount of stock in a huge company like Coca-Cola?
- A:** You do not have to disclose a financial interest of less than 1% of the shares of a publicly-held company unless such a holding constitutes a significant portion of your net worth.
- Q:** If I've been invited to join a Board of Directors, board of trustees, or a similar role do I need to disclose it before accepting?
- A:** Yes. You are required to disclose it prior to accepting. Compliance will gather information about the opportunity to determine if a potential conflict exists.

What it looks like in our day-to-day work

- ▶ Never having a financial interest in, or an employment relationship with, enterprises belonging to customers, suppliers, competitors, or enterprises that we know (or should have known) have a business relationship with Paramount without prior consent.
- ▶ Refusing any offer to invest in any current or prospective supplier, customer, or competitor of Paramount or any other entity with which Paramount has a relationship on terms that are not available to the general public (including accepting an allocation of shares in an IPO).
- ▶ Never borrowing from or lending money to anyone in a business relationship with our Company – including customers, suppliers, or competitors (or fellow employees, other than in occasional nominal amounts) – except for normal banking transactions with financial institutions.
- ▶ Never engaging in business with or acting as a customer or supplier of our Company, other than in our ordinary role as an employee or public consumer.
- ▶ Never competing with Paramount, including engaging in any business activity that is in conflict with our duties and obligations (including our commitment of time) to Paramount. Employees must obtain prior approval for any employment with another company.

INTERACTING ON WORK MATTERS WITH RELATIVES AND CLOSE FRIENDS

We do not allow our family and close personal relationships to interfere with our hiring or business decisions. Even if we do not personally own stock or a personal stake in a business, they may belong to a family member or close friend who we'd like to see succeed.

We avoid steering Paramount contracts or professional opportunities towards businesses where our relatives or close acquaintances may benefit from the transaction. We do this by disclosing any relevant relationships in a business contemplating a transaction with Paramount.

Q: Does that mean that a close friend's company (that I think is terrific) can't pitch business to Paramount?

A: No. The important thing is that you disclose the relationship, so we are aware a conflict of interest may exist. When Compliance reviews the disclosure, they will make a determination whether a more objective decision-maker needs to be overseeing the decision about how the business is awarded.

Q: My spouse just got a new job at one of our media competitors, do I need to disclose it?

A: Yes. After disclosing, do not discuss or disclose any non-public or confidential information to your spouse about Paramount business. Additionally, please refer to the company's [Policy on Adhering to Competition Laws with Customers and Suppliers](#) for additional guidance on competitive sensitive information that may not be shared with competitors.

Q: My second cousin is applying for a job in my department, but I barely know them – I've only met them twice. Should I disclose the conflict of interest?

A: Yes. Even if you are confident that a relationship would not impact your business judgment, if another employee could reasonably conclude you have a conflict – you should disclose.

Q: My whole family has Paramount+, what level of interaction do I need to disclose?

A: Nothing in the BCS is intended to prohibit us or any of our family members from consuming Paramount content, goods, or services.

What it looks like in our day-to-day work

- Disclosing the fact that an immediate family member works for or provides goods or services to any Paramount company.
- Never arranging or facilitating any business transaction between any of our relatives and our Company or between any of our relatives and any customer or supplier of Paramount.
- Disclosing the employment of any member of our immediate family by a licensee, supplier, or competitor of our Company.
- Reporting any significant changes, such as moving into a new position, that may allow us to influence or be influenced by our relatives' employment.



OPPORTUNITIES DISCOVERED IN THE COURSE OF OUR WORK

In the course of business, we may naturally learn confidential or proprietary information regarding future business ventures. We never take for ourselves – or direct to a third party – any opportunities (business, financial, or professional) that we discover through the use of Paramount proprietary information, our position within the Company or access to Paramount’s network.

- Q:** Suppose that during a meeting at Paramount you learn that a new series is going to be shot almost entirely on location in a very deserted area of your hometown. You are responsible for selecting vendors associated with this production. Your sister owns a catering service nearby. If her company was selected to provide catering to the production, it would be a huge win for her company. Is there a conflict of interest here?
- A:** Yes. There is definitely a conflict of interest because you could feel torn between ensuring Paramount has the best, most cost-efficient caterer working on the job, and your desire to see your sister’s company succeed. You should disclose that the conflict of interest exists. Your sister’s company may be able to bid for the contract, but you should disclose the fact that the company is owned by your sister before proceeding.



What it looks like in our day-to-day work

- ▶ We never take for ourselves personally – or direct to a third party – a business opportunity that we discover through the use of Paramount property or information, or our position within the Company.
- ▶ The only exception to this rule is if Paramount has already been offered the opportunity, has turned it down and consents to your personal pursuit of the opportunity.
- ▶ More generally, employees and directors may not compete with Paramount or use their position or Company property or information for personal gain.

DISCLOSING OUTSIDE EMPLOYMENT OR BOARD OPPORTUNITIES WHICH COULD INTERFERE WITH YOUR JOB DUTIES



At Paramount, we disclose *in advance* any considered opportunities for outside employment or Board or opportunities (paid or unpaid) that might interfere with our job responsibilities within the Company. Additionally, we avoid interfering with or disrupting Paramount's relationships with third parties.

Q: Which of the following scenarios would require you to disclose:

1. A part-time job requiring a few hours a week – that you do not believe will interfere with your Paramount duties
2. A consulting role that would only require you to do work on Saturdays
3. Accepting an appointment to a government position in your local township
4. Getting invited to join the Board of Directors of a small non-profit organization
5. Being a partial owner in a small business that is providing goods or services to Paramount

A: All of the above. In all of the scenarios, you must disclose the opportunity first, *before* accepting.

Q: Am I allowed to work outside of Paramount while I am a Company employee?

A: That depends. Your Company may have rules that allow outside employment under certain circumstances, but you must *always* disclose it and receive approval before proceeding.

What it looks like in our day-to-day work

- ▶ Disclosing in advance anytime you are considering outside work by submitting the [Disclosure Form for Potential Conflicts of Interest](#).

