



MAJUPERAK HOLDINGS BERHAD

Company. No. 585389-X Reg. No. 200201017726

Code of Business Conduct and Ethics

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1. INTRODUCTION

1.1 The Board of Directors (the “Board”) of Majuperak Holdings Berhad (“MHB” or the “Company”) has established and adopted this Code of Business Conduct and Ethics (“Code”) for the Directors and Employees of the Company and its subsidiaries (collectively referred to as the “Group”) which reflects the Board’s commitment to maintaining the high standard of ethical conduct and practices expected from the Directors and Employees of the Group.

2. PURPOSE

2.1 This Code serves as a documentation of the Group’s commitment towards business practices that are fair, effective and efficient for all parties.

2.2 This Code serves as a guide to support the Directors and Employees of the Group to live up to the high ethical business standards and their conduct with regards to businesses of the Group.

2.3 This Code has been crafted with intention of achieving the following aims:

2.3.1 underline the Group’s commitment towards ethics and compliance with the relevant laws and regulations;

2.3.2 set a foundation for basic standards of ethical and legal behaviour within the Group;

2.3.3 facilitate the Group’s overall corporate identity and culture to create a supportive environment whereby ethics can thrive;

2.3.4 avoid practices that may impair the Group’s integrity, impartiality and reputation; and

2.3.5 create a culture where Employees feel confident to share ethical dilemmas and voice out concerns regarding potential misconduct.

3. SCOPE AND APPLICATION

3.1 In this Code, unless expressly stated, words importing singular shall be construed as importing the plural and vice-versa. Additionally, words importing the masculine gender include feminine and words used in the present tense include the future as well.

3.2 This Code is applicable to all Directors and Employees of the Group regardless of the nature of their appointment or employment, their job grade or location.

3.3 Employees shall report to the direct reporting superior, Human Resource Department or designated recipient(s) on any misconduct or breaches of the Code, as provided for in the communication channel of the Group’s Whistleblowing Policy and Procedures that is made available on the Company’s website.

- 3.4 If a provision in the law conflicts with this Code, Directors and Employees shall comply with the law. However, in the event that Directors and Employees are uncertain as to whether a provision in this Code conflicts with the law, the Directors and Employees may consult with direct reporting superior, Human Resource Department, designated recipient(s) or Company Secretaries (for Directors) immediately, rather than disregarding the Code without consultation.
- 3.5 The nomenclature “shall” in this Code imposes an obligation or a professional call for the Directors and Employees to comply with the specific provisions. In some situations, this Code may use conditional wording, such as “expected” which are aspirational in nature.
- 3.6 When the nomenclature “may” is used in the Code, it denotes permission to take a particular action in certain circumstances, including as an exception to a specific provision. It is not used to denote possibility.

4. DEFINITIONS

- 4.1 For the purpose of this Code, the terms listed below represent its respective definitions and shall exclude food and drinks, flowers and contribution/sponsorship to the Group event:

“Benefits” : Any form of advantages or profits gained by the Directors and Employees.

“Bribe” : The act of conferring a benefit in order to influence an action or decision.

“Corruption” : The provision or receipt of monetary or non-monetary bribe or reward of high value for performing in relation to the Directors or Employees’ duties.

“Directors” : Board members including all Independent or Non-Independent Directors and shall also cover alternate Directors.

“Employee” : An individual who accepts a form of remuneration from the Group in exchange of services to the Group on a permanent or temporary contract, assignment or secondment basis, including agents and consultants working for the Group.

“Entertainment” : (a) the provision of recreation; or
(b) the provision of accommodation or travel in connection with or for the purpose

“Family members” : Shall include the Directors’ or Employees’:

- (a) spouse;
- (b) parent;
- (c) child, including adopted child and stepchild;
- (d) brother or sister; and
- (e) the spouse of his child, brother or sister.

[as defined under Section 197(2)(a) of Companies Act 2016]

“Gifts” : Any tangible or intangible items of monetary or non-monetary, such as goods, services, cash or cash equivalents, fees, rewards, facilities or benefits

- “Harassment” : Any direct or indirect action, conduct or behaviour which an individual or a group of individuals finds abusive, humiliating, intimidating, offensive or hostile in terms of verbal, physical or visual.
- “Insiders” : Directors or Employees who possess, handle, know or ought to reasonably know price sensitive information that is not generally available to public.
- “Intellectual property” : Property that includes intangible creations of the human intellect such as copyrights, patents, trademarks, branding and technology.
- “Managers” : Persons who are responsible in controlling and administrating a group of employees.
- “Money laundering” : The process of concealing the identity of money or properties obtained from criminal activities by passing it through legitimate business channels.
- “Personal interest” : Membership of an organisation’s Board of Directors/ Trustees/Senior Management positions held either by Directors or Employees or their family members.
- “Proprietary information” : Information held by a person or entity concerning the know-how, trade secrets or other information of any kind, whether in printed or electronic format, including but not limited to Intellectual Property rights, technical information, business processes, sales forecasts, marketing strategies, customer lists or potential customer information, financial records or operations which is regarded as being confidential in nature (whether or not labelled as confidential) that belongs to and owned by the Group.
- “Third party” : An external person or a company independent of the Group, which may include customers, contractors, external banks, enterprises and any other stakeholders with whom a business relationship, whether current, prospective or historic, exists.

5. BUSINESS INTEGRITY

5.1 Gifts, Benefits and Entertainment

- 5.1.1 Directors and Employees of the Group are debarred from accepting or receiving gifts, benefits and/or entertainment from a third party or stakeholder of the Group that might create a sense of obligation and compromise their professional judgment or create the appearance of doing so.
- 5.1.2 Directors and Employees shall not accept or receive any gifts, benefits and/ or entertainment from a third party or stakeholder of the Group except if it is made for gestures that are construed to be legitimate contribution and provided that the gifts, benefits and/ or entertainment are presented in good faith and below a monetary value of RM200/-, which may be directly or indirectly offered as a result of or in anticipation of a Director's and Employee's position or performance of duties with the Group or for cultivating good business relationship.
- 5.1.3 Directors and Employees shall exercise proper care and judgment in respect of giving or receiving any gifts, benefits and/or entertainment on a case-to-case basis.
- 5.1.4 Directors and Employees shall take into consideration the impact of their actions with regards to how their actions are perceived (i.e. influencing their decision) and its impact towards the business operations of the Group prior to giving or accepting any gifts, benefits and/ or entertainment.

5.2 Conflict of interest

- 5.2.1 Conflict of interest situation arises when a personal interest or activity interferes or appears to interfere with the duties of Directors and Employees to the Group. This includes, but not limited to:
 - 5.2.1.1 a Director or Employee giving preference to his interests or the interests of his family members or persons with whom he has a close personal relationship, rather than to the interests of the Group. This includes being involved in the hiring, supervision, management and/ or career planning of his family members, or any other parties where a close personal relationship exists, in the Group;
 - 5.2.1.2 receiving or giving gifts, benefits and/ or entertainment as a result of the position of the Director or Employee within the Group that may lead to a conflict of interest situation;
 - 5.2.1.3 Directors and Employees are in a position to influence decisions that are made by the Group with respect to dealings with a business, enterprise or entity owned or partially owned by the Director or Employee, the Director's or Employee's family members or those with whom he has a close personal relationships with; and
 - 5.2.1.4 Directors or Employees competing with or against the Group in a business transaction.

- 5.2.2 All Directors and Employees are expected to make or participate in business decisions and actions during the course of their appointment or employment or other representation of the Group based on the best interests of the Group as a whole, and not based on :-
- 5.2.2.1 personal interests, considerations or relationships; or
 - 5.2.2.2 relationships with prospective or existing suppliers, contractors, customers, financial institutions, government or other stakeholders.
- 5.2.3 All Directors and Employees are prohibited from making any direct or indirect investments that would result in a conflict of interest between the Group and the Director or Employee and/or suppliers.
- 5.2.4 All Directors and Employees are required to declare or disclose to the direct reporting superior, Human Resources Department and Group Chief Financial Officer or Company Secretary(ies) (in the case of Directors) on any form of relationship that exists between themselves or their family members with any organisations, projects, contracts or business dealings involving the Group (if any), so as to avoid or mitigate the risk of conflicting interests.
- 5.2.5 A Director or Employee shall not abdicate his duties in favour of personal matters and shall not conduct himself in such a manner that will bring his private personal matters into conflict with his duties.
- 5.2.6 In the event that a Director or Employee might find himself in actual or potential conflict of interest situation, or a situation which may potentially raise any questions pertaining to his ability to make decisions objectively, the following shall be considered:
- 5.2.6.1 abstain from any subsequent deliberations, negotiations, or any other affairs regarding the matter, including making decisions;
 - 5.2.6.2 if he is a Director, he shall declare the same to the Board and such declaration shall be documented; or
 - 5.2.6.3 if he is an Employee, he shall declare in writing to his direct reporting superior, Human Resources Department, Group Chief Financial Officer and Group Chief Executive Officer the nature and extent of conflict which may arise; or request with his direct reporting superior to manage the said matters, including decisions on acceptance or rejection of proposal.
- 5.2.7 All Directors shall declare any conflict of interest that are apparent prior to their appointment. In the event that Directors are aware of any potential conflict of interest situations, these shall be disclosed to the Board and notified to the Company Secretary(ies) as soon as practicable.
- 5.2.8 All Directors shall disclose any other significant commitments with a broad indication of the time involved in those commitments and any subsequent changes to those commitments. The agreement of the Board shall be obtained before accepting any external commitments that may affect the Director's ability to devote time to his role and result in a conflict of interest situation.

5.2.9 All Directors and Employees shall not, without the prior consent from the Human Resource Department, Group Chief Financial Officer, Group Chief Executive Officer or the designated recipients, Board (as the case may be), be engaged in any capacity in any trade, private business or occupation other than what he has been employed for with the Group. Executive Directors and Employees shall not accept employment for a second job with a customer, supplier, competitor, manufacturer, consulting firm or service organisation involved with the Group's product and/ or service unless with the prior written approval of the aforementioned parties.

5.2.10 All Executive Directors and Employees, unless with the prior written approval from the , Human Resource Department, Group Chief Financial Officer, Group Chief Executive Officer or the designated recipients, Board (as the case may be), shall not hold directorships in any supplier, customer or competing companies, where such directorship or investment may influence in any manner a decision or course of action of the Group.

5.2.11 All Executive Directors and Employees, unless with the prior written approval from the Human Resource Department, Group Chief Financial Officer, Group Chief Executive Officer or the designated recipients, Board (as the case may be) shall not be actively involved in any political bodies, clubs, societies or organisations that create or have the appearance of creating conflict of interest between the Group and the Executive Director or Employee.

5.3 Corruption and Money Laundering

5.3.1 All Directors and Employees are strictly prohibited from taking part in any form of corruption, extortion, embezzlement or any kind of money laundering activities. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and other laws and regulations in Malaysia. All Directors and Employees shall be aware of the applicable anti-money laundering laws and shall seek to be adequately informed of the developments in the aforementioned laws.

5.3.2 All Directors and Employees are expected to promptly report, via the established reporting channels as provided for in the Group's Whistleblowing Policy and Procedures, of any suspicious transactions that may indicate corruption or money laundering.

5.4 Insider Trading

5.4.1 Directors or Employees who are in possession of price-sensitive information are prohibited from disclosing such information to any third party if that information has not been made public, unless they are authorised or legally obligated to do so.

5.4.2 Such undisclosed price-sensitive information is classified as confidential insider information. This includes information such as financial and operating results, potential mergers or acquisitions, divestments or financings, marketing plans or new product introductions.

- 5.4.3 Directors and Employees shall ensure that all transactions and issuance of shares by the Group are in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Capital Markets and Services Act 2007 in relation to insider trading in Malaysia.
- 5.4.4 The respective Head of Department (“HOD”) shall update to the Company Secretary(ies) and Group Chief Financial Officer on the nature of transactions as well as names and designations of persons who are privy to price-sensitive information within the same day. The said list shall be maintained by the Company Secretary(ies) and Group Chief Financial Officer from time to time.
- 5.4.5 In the event that Directors or Employees are uncertain of any related information to insider trading held by them, they shall seek further clarification or advices from the Company Secretary(ies) or Group Chief Financial Officer.

6. DISCLOSURE OF INFORMATION

6.1 Disclosure and Data Privacy

- 6.1.1 Directors and Employees shall furnish accurate and complete information requested by the Group in relation to their employment or appointment. The Directors and Employees shall also disclose any dismissal, removal or compulsory retirement by previous employer and other information that may be required by the Group at the time and during the course of appointment or employment.
- 6.1.2 Directors and Employees shall also promptly furnish any changes in personal particulars from time to time as requested by the Company Secretary(ies) (in the case of Directors) or Human Resource Department. The Group shall implement measures to safeguard all personal data information collected from its Employees, customers, suppliers and other individuals from inappropriate access or misuse or non-compliance to the Personal Data Protection Act 2010. Unless required by law, all personal data shall not be shared to any third parties.
- 6.1.3 All Directors and Employees shall declare in writing to the Company Secretary (in the case of Directors) or Human Resource Department and Group Chief Financial Officer (as the case may be) on any family relationship with other Directors or Employees within the Group or associated companies including any with suppliers, vendors, clients, customers, competitors, individuals or organisations seeking to do business with the Group. Directors and Employees shall avoid or abstain from participating in or making decisions on any business transactions involving their family members.
- 6.1.4 Director or Employee who intentionally misrepresents, makes false or improper claims or obtains approval by false pretense shall be liable to disciplinary actions, including termination, as the case may be.

6.2 Competition and Fair Dealing

- 6.2.1 The Group is committed to driving business growth and success through upholding the highest standards of ethical business conduct. Directors and Employees of the Group shall respect the rights and deal fairly with the customers, suppliers and competitors of the Group.

6.2.2 Directors and Employees shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practices prohibited by the relevant laws and regulations. Such practices include, but not limited to:

6.2.2.1 rigging a competitive bidding process (including arrangement to submit sham bids);

6.2.2.2 misappropriating proprietary information obtained without owners' consent or by inducing disclosures from Directors or Employees of other companies; and

6.2.2.3 taking actions to exclude competitors from the market in jurisdictions where such conduct is prohibited.

6.3 Giving Reference

6.3.1 Directors and Employees may only give reference in their personal capacity and is not permitted to use the Group's name, letterhead, logo or trademark. Only the Company Secretary (in the case of Directors), Human Resource Department and authorised personnel can issue testimonials in a standardised format pertaining to any Director's or Employee's appointment or employment history.

6.4 Confidential Information

6.4.1 Directors or Employees shall not, unless authorised to do so, reveal to anyone any trade secrets, patents, trademarks, confidential operations, processes, finances, transactions or affairs of the Group or any of its customers which he obtains or possesses during the course of appointment or employment.

6.4.2 Each Director and Employee is responsible to protect the confidentiality of the Group's information entrusted to him and shall not use or attempt to use or disseminate such information in any manner which may cause damage or loss either directly or indirectly to the Group or its businesses.

6.4.3 If the family member of a Director or Employee is a competitor or supplier of the Group or is employed by one, the Director or Employee is expected to exercise extra caution in his communication and conduct to ensure the security and confidentiality of information to avoid conflict of interest situations.

6.4.4 Directors and Employees shall also be vigilant to avoid unintentional disclosure by adopting safe practices when transmitting or storing confidential information.

6.4.5 This obligation for Directors and Employees to preserve proprietary information shall continue to apply after termination of appointment/employment unless such information has come into the public domain or when disclosure is authorised by Management or required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority, as the case may be.

6.5 Public Statement

- 6.5.1 The phrase 'public statement' includes the making of any statement or comment to any media e.g. electronic and/or print, the internet and speaking engagement. It also applies to every kind of correspondences with the media in print and/or electronic form as well as through social media channels.
- 6.5.2 Unless authorised by the Chairman of the Board or Group Chief Executive Officer, all Directors and Employees shall not make any public statements to any person, organisation or institution nor shall he circulate any such statements made by him or by anyone else that could affect the Group's reputation.
- 6.5.3 Any information to the press or media is to be released by the authorised spokespersons of the Group.

7. PROTECTION OF INTELLECTUAL PROPERTIES AND ASSETS

7.1 Trademarks, Patents, Inventions and Brand

- 7.1.1 Any inventions whether new processes, technical know-hows, products or systems created by any Director or Employee during his tenure with the Group which are part and parcel of his job, shall remain as the property of the Group.

7.2 Protection and Proper Use of Assets

- 7.2.1 All Directors and Employees shall ensure the safe keeping and protection of Group's assets, both tangible and intangible from wastage, loss, vandalism or damage, misuse, theft, misappropriation or infringement of intellectual property rights and ensure their efficient use.
- 7.2.2 Any suspected incident of fraud or theft shall be immediately reported for investigation. The Group's equipment or vehicles shall not be used outside the ordinary course of business. However, incidental personal use may be permitted with prior approval of the authorised personnel of the Group in respect thereof. In considering whether the approval shall be granted by the authorised personnel, the following factors shall be considered:-
 - 7.2.2.1 that the activities do not impair the Director or Employee's ability to perform his duties and functions with the Group;
 - 7.2.2.2 that the activities do not occur during office hours while the Executive Director or Employee is required to perform official duties;
 - 7.2.2.3 whether there would be an arising conflict of interest from the activity/position held including the perception/appearance of conflict; and
 - 7.2.2.4 any other factors deemed appropriate by the Group from time to time.

- 7.2.3 Directors and Employees shall also ensure that all expenditures are transacted in a transparent manner and properly documented for all expenditures or when making commitment on the use of Group's funds.
- 7.2.4 Directors and Employees shall be responsible for all the assets of suppliers/vendors that are entrusted under his care. The Directors and Employees shall treat those items with the same level of care as with other physical properties belonging to the Group.

7.3 Notes, Memorandum, Information and Records during Appointment or Employment

- 7.3.1 All Directors and Employees shall take responsibility in protecting all proprietary information made available to them during their appointment or employment, whether in written or verbal form or whether on paper or electronic form.
- 7.3.2 All Directors and Employees are not allowed to make notes or memorandum relating to any matter within the scope of business of the Group or concerning any of its dealings or affairs unless for the benefit of the Group i.e. after obtaining prior approval from the Board or HOD, as the case may be.
- 7.3.3 Notes or memorandum made by Directors and Employees shall be the property of the Group whether during appointment or employment or upon resignation.
- 7.3.4 Employees shall not falsify, remove, damage, destroy or duplicate classified information, including notes or memorandum.
- 7.3.5 Directors and Employees shall not record false entries in the Group's accounting books and/or records for any reason, or engage in any arrangement that results in such breach.

7.4 Record Keeping

- 7.4.1 The Group requires complete, accurate and timely recording and reporting of information in order to make informed business decisions.
- 7.4.2 Business expenses incurred by Employees shall be authorised, documented and recorded accurately. Employees shall consult his HOD if he is not sure whether certain expenses are legitimate.
- 7.4.3 All business costs and revenues must be recorded in the right time periods. The sale or transaction or service that has not officially been completed or rendered until there is evidence of agreement, invoice and/or any other documentation, the cost and revenue shall be reasonably recorded to prevent misrepresentation.
- 7.4.4 All of the Group's books, records, accounts and financial statements will be maintained in reasonable detail. They will appropriately reflect the Group's transactions and will conform both to applicable legal requirements and to the Group's system of internal controls.
- 7.4.5 All of the Group's records shall always be retained or destroyed according to the Group's established record retention policies.

8. CONDUCT

8.1 Human Rights

- 8.1.1 All Directors and Employees shall respect the fundamental dignity of every human being and their rights.
- 8.1.2 The Group prohibits the use of forced labour, human trafficking and exploitative child labour and expect its suppliers and/or vendors to respect this principle as well.
- 8.1.3 The Group prohibits mental or physical coercion, verbal abuse and inducement of duress as well as the threat of any such treatment.
- 8.1.4 The Group promotes safe and healthy working condition with no forced, indentured, involuntary prison or illegal labour.

8.2 General Conduct

- 8.2.1 All Directors and Employees shall exercise due care and diligence in discharging his duties to the best interest of the Group and conduct himself in a professional manner with uncompromising integrity and utmost confidentiality when at work or when undertaking Group business.

8.3 Alcohol and Illegal Drugs

- 8.3.1 The consumption of alcohol and/or illegal drugs or substances that are not prescribed by a registered medical practitioner is prohibited at the premises of the Group. Usage, possession, purchase or sale of alcohol and/or any illegal drugs in the Group premises or reporting for work under the influence of either will result in disciplinary action.

8.4 Health and Safety

- 8.4.1 The Group strives to provide a working environment that is safe and healthy for Directors, Employees, contractors, suppliers, vendors and any other third party.
- 8.4.2 Directors and Employee are responsible for creating and maintaining a safe and healthy workplace by adhering to the Occupational Safety and Health Act 1994 and by reporting accidents, injuries and unsafe equipment, practices or conditions to the appropriate department. Behaviour that would jeopardise the safety of others such as recklessness and violence will not be tolerated and liable to disciplinary action, including termination.

8.5 Discrimination and Harassment

- 8.5.1 Directors and Employees are strictly prohibited to engage in any form of sedition, discrimination and harassment. These actions and behaviour which are typically made based on age, race, gender, disability, nationality, religion or sexual orientation include, but not limited to :
 - 8.5.1.1 derogatory comments on any material of works or forms of communication channels such as racial slurs, sexual jokes, pornographic materials, posting offensive statements, distribution of inappropriate jokes; and

8.5.1.2 sexual harassment includes behaviour such as solicitation of sexual favours, unwelcomed sexual advances or other verbal, visual or physical conducts of a sexual nature.

8.5.2 Directors and Employees shall avoid making derogatory remarks and portraying inappropriate behaviour that could cause misunderstanding and be taken as sedition, discrimination or harassment.

9. ANONYMOUS COMPLAINTS AND WHITLEBLOWER PROTECTION

9.1 Reporting of violations and suspected violations

9.1.1 All Directors and Employees are encouraged to report, verbally or in writing, promptly and in confidence, any evidence of any improper practice or unethical behaviour or if they are in doubt about the best course of action in a particular situation.

9.1.2 There will be no retaliation against Directors and Employees for reporting a suspected violation in good faith or participating in an investigation of a suspected violation. All complaints shall be properly investigated. Directors, Employees and any other parties involved are expected to cooperate during the internal investigations of the alleged misconduct.

9.1.3 Procedures for reporting violations and suspected violations are encapsulated within the Group's Whistleblowing Policy and Procedures that is made available on the Company's website.

10. REVIEW OF THE CODE OF BUSINESS CONDUCT AND ETHICS

10.1 This Code has been approved by the Board on 20 May 2020 and is available on the Company's website. This Code shall be periodically reviewed and amended by the Board, as and when necessary to be kept relevant.

10.2 All Directors and Employees are required to strictly observe and apply the provisions encapsulated in this Code.

10.3 All Directors and Employees are obliged to understand that any breaches of the application and conduct in this Code may result in a disciplinary action by the Group, including termination, as the case may be.