

## **CODE OF ETHICS AND CONDUCT**

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### **INTRODUCTION**

The Board of Directors (“the Directors”), the Management and the employees (collectively referred to as “All Personnel”) of Benalec Holdings Berhad (“Benalec” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) are committed to adhering to the best practices of corporate governance and to comply with high standards of professionalism and exemplary corporate conduct.

### **PURPOSE**

The purpose of the Code of Ethics and Conduct (“the Code”) is to assist All Personnel in defining ethical standards and appropriate conduct at work.

All Personnel are expected to play an important role in establishing, maintaining and enhancing the reputation, image and brand of the Group and in the compliance with the standards of integrity and conduct when performing their duties. They shall, at all times, endeavor to the best of their abilities to promote and to advance the best interests of the Group.

All Personnel are required to perform at the highest level of professionalism in all aspects of their work and to comply with this Code and with all the applicable laws, rules and regulations, as well as with other applicable policies within the Group.

### **COVERAGE**

The Code applies to All Personnel of the Group. All Personnel are required to read, understand and comply with the Code. Any personnel who breaches the Code will, subject to a review of the circumstances, be liable to disciplinary action, including possible dismissal and legal action in extreme cases.

All Directors are expected to be familiar with the contents of the Code. However, if a Director requires further clarification on the Code, he/she may refer or highlight the same to the Chairman of the Board or the Group Managing Director. Employees should seek assistance from their immediate superior, Head of Department or the Chief Operating Officer if they do not fully understand how the Code should be applied.

For the purposes of this Code, “Employees” include all full-time, probationary, contract and temporary staff.

### **KEY AREAS OF CONDUCT**

#### **1. Conflicts of Interest**

A conflict of interest is defined as a situation whereby a Personnel stands to personally benefit, directly or indirectly, as a result of decision(s) he/she makes on behalf of the Group. That is, where it can be deduced that his/her capacity to make a proper and impartial decision is compromised.

All Personnel must avoid situations where there is a conflict of interest between them as individuals and the interests of the Group. All Personnel must not use their positions or knowledge, howsoever gained, in the course of their duties or employment for private or personal advantage (directly or indirectly).

Any actual or potential conflicts of interest are required to be disclosed to the Management and/or the Board and where such circumstances are permitted by the Management and/or the Board to continue, the same shall not be deemed a breach of this Code.

## **2. Confidential and Proprietary Information**

- (a) Except as authorised or required by his/her duties, employees shall not disclose confidential information of the Group. Proprietary or confidential information of the Group should be safeguarded and must not be used by any Personnel for personal gain or for any other reason that is not deemed to be in the best interests of the Group.

All Personnel have the responsibility to safeguard all confidential information which comes to his/her knowledge or possession during his/her employment or services. Confidential information in this context includes, but is not limited to, the following:-

- (i) Information concerning the Group's business strategies, planning, and confidential operational information;
  - (ii) Terms and conditions of contracts negotiated or entered into by the Group;
  - (iii) Any information, the disclosure of which may be detrimental to the Group, for example, information that:-
    - Causes adverse public perception or response; and
    - Could be of use by competitor(s) to place the Group at a competitive disadvantage;
  - (iv) The intentional distortion of information to cause ill-will amongst employees or to discredit the Management of the Group, for example:-
    - Misinformation or organization activities which are unfounded or based on half-truths; and
    - Rumour-mongering.
- (b) The restriction in Clause 2 (a) above, shall apply during and after the termination of a Personnel's employment or services without any time limit but shall cease to apply to information or knowledge which has in its entirety become public knowledge otherwise than through any unauthorized disclosure or other breach on his/her part.
- (c) In the event that any Personnel knows of material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Personnel in question until it is publicly released.

- (d) Misappropriation of confidential information of the Group by any Personnel shall not be tolerated. Any such misappropriation should be immediately reported and thoroughly investigated. Appropriate disciplinary and/or legal action will be taken (i.e. the Group reserves the right to sue for damages against those responsible) where warranted.

### **3. Price Sensitive Non-Public Information and Securities Trading**

All Personnel shall not use price sensitive non-public information, which can affect the prices of the securities of the Company and/or related listed companies until and unless it becomes publicly known ("Sensitive Information"), for personal benefit.

All Personnel are prohibited to trade in securities or to provide information to others to trade in securities of the Company and/or related listed companies until the Sensitive Information is publicly released. All Personnel shall also not trade in securities in any other companies of which they have Sensitive Information obtained in the course of performing their duties.

### **4. Protection of Group's Assets**

All Personnel must protect the assets of the Group to ensure their availability for legitimate business purposes and no property or information belonging to the Group or opportunity arising therefrom shall be used for personal gain.

Misappropriation of assets owned by or placed in the custody of the Group will not be tolerated. Any misappropriation should be immediately reported and thoroughly investigated. Appropriate disciplinary and/or legal action will be taken where warranted.

### **5. Maintenance of Business Records**

The Management should maintain accurate, timely and reliable records to meet the Group's legal and financial obligations and to effectively manage the affairs of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. All personnel have the responsibility to prepare and maintain accurate and adequate business records. No unauthorized, false, improper or misleading information or entries shall be made in the books and records of the Group under any circumstances.

### **6. Compliance with Applicable Laws**

The Group shall comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. All Personnel are required to understand and comply with the laws, rules and regulations that are applicable to their respective positions and/or work. The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

## **7. Personal Gifts, Gratuities, Benefits and Contributions**

No Personnel shall accept gifts or gratuities from firms, organisations or their employees, agents or other individuals who conduct or may conduct business with the Group including those taking the form of the furnishing of materials, goods and services.

The following policies apply to the receipt of gifts or benefits by any Personnel or any member of his/her family from persons or organizations which have or might reasonably be expected to have any business dealings of any kind with the Group:-

- (a) The receipt of modest token gifts such as diaries, calendars or other such “give-away” items is permitted. Receipt of modest gifts is allowed during festive seasons where refusal could cause offence.
- (b) The receipt of cash by any Personnel or by any of his/her family members is strictly forbidden.
- (c) The receipt of gifts or favours by an individual or any member of his/her family is forbidden if they are either beyond what could reasonably be regarded as ‘modest’ or if they could be interpreted as reflecting adversely either on the integrity of the Group or the recipient or both.
- (d) The onus is therefore placed on each individual employee, where any possible doubt could arise as to the propriety of accepting any such gift or favour, to notify the most senior management personnel available and to act on the advice or instruction given.
- (e) In order to protect individuals and the Group against any accusations of malpractice in connection with their employment, it is specifically forbidden for All Personnel or their families to receive any gift or favour of any kind whatsoever (modest or not) from any person who is seeking employment with the Group or from any relative of such person. Furthermore, any person seeking employment with the Group who offers any such ‘inducement’, ‘gift’ or ‘favour’ will be immediately disqualified from the selection process.

## **8. Occupational Health and Safety**

The Group is committed to achieving the highest performance in occupational health, safety and welfare with the aim of creating and maintaining a safe and healthy working environment for All Personnel. The Group will seek continuous improvement in its occupational health and safety performance and comply with all applicable laws, regulations and standards that reflect the Group’s commitment to occupational health and safety.

## **9. Religious/ Racial/ Sexual Discrimination**

The Group is committed to maintaining a diverse workplace free of religious and racial discrimination and/or sexual harassment. All personnel should be treated with respect in an environment free of unlawful discrimination, harassment and offensive behaviour. It is the responsibility of the Senior Management to ensure that all workplace decisions and activities are free of unlawful discrimination and harassment and to appropriately investigate all complaints or suspected instances of unlawful discrimination and harassment.

The Group considers any breach to be misconduct. If, after investigation, allegations of harassment are substantiated, the Group will institute appropriate disciplinary action against those responsible, up to and including dismissal.

#### **10. Outside Activities and Interests**

Where a personnel wishes to engage in outside activities for personal financial gain or to become involved in another organisation, which has or is likely to have any commercial dealings with the Group, prior written permission must be obtained from the Group Managing Director. If such permission is not granted, the Personnel in question must refrain from engaging in such activities, failing which severe disciplinary action will be taken against him/her.

The Group also strongly discourages any tendency on the part of Management or supervising personnel to implicitly approve or condone such practices.

#### **11. Good manners, Courtesy and Inter-Personal Conduct**

All Personnel are required to treat their fellow employees fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability, and shall not cause any form of discrimination or prejudice in the workplace.

#### **12. Dishonesty, Misconduct and Corrupt Practices**

All Personnel are not allowed to be involved in or to abet any activity that is deemed by the Group to be an act of dishonesty; misconduct (including use and abuse of drugs) and commercial corruption.

All Personnel shall, at all times, act honestly and in the best interests of the Group and use reasonable diligence in the discharge of the duties of his or her office.

### **CONTRAVENTION OF THE CODE**

Any personnel who knows of a suspected breach or violation of the Code, is encouraged to whistle-blow or report the guilty party or parties to his/her immediate superior or Head of Department or the Chief Operating Officer or the Board of Directors. The Human Resource Department shall conduct an investigation on the issue(s) and/or concerns raised by the employee(s). No individual will be discriminated against or suffer any act of reprisal for reporting in good faith on actual or suspected violations of the Code.

### **ACTIONS BY THE GROUP**

In the event that a breach or contravention of the Code is committed by the Group's Personnel and if the said Personnel is/are proven guilty, the Group will take appropriate disciplinary action and/or legal action against those responsible. Where legal action is initiated by the Group, the Group shall pursue its legal recourse vigorously to ensure damages are recovered from the guilty party/(ies).

**REVIEW OF THE CODE**

The Board shall monitor compliance with the Code and review the Code regularly as practices on Corporate Governance evolve and further guidelines on Corporate Governance are promulgated by the relevant regulatory authorities. All findings and recommendations shall be communicated to the Board.

**WAIVER OF THE CODE**

Waiver of the Code may be granted by the Board or the appropriate Committee of the Board on a case-by-case basis and only in exceptional circumstances.