



KUMPULAN PERANGSANG SELANGOR BERHAD (23723-K)

CODE OF CONDUCT FOR DIRECTORS

The Code of Conduct for Directors shall be as follows:

1.0 CODE OF CONDUCT FOR DIRECTORS

1.1 Principle

1.1.1 The principle of this Code is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

1.2 Purpose

1.2.1 This Code of Conduct is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

- a. To establish a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
- b. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company.

1.3 Definition

1.3.1 In the context of this Code, a company Director means any person who holds the position of Director in a corporation irrespective of any designation used, including anyone who follows the directives and advice of a corporate Director and who usually takes action, as well as an in-turn or substitute Director. A Director also includes executive and non-executive Directors as well as executive and non-executive chairpersons.

1.4 Code of Conduct

In the performance of his/her duties, a Director should at all times observe the following Codes:

1.4.1 Corporate Governance

1. Should have a clear understanding of the aims and purpose, capabilities and capacity of the company;
2. Should devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
3. Should ensure at all times that the company is properly managed and effectively controlled;
4. Should stay abreast of the affairs of the company and be kept informed of the company's compliance with the relevant legislation and contractual requirements;
5. Should insist on being kept informed on all matters of importance to the company in order to be effective in corporate management;
6. Should limit his/her directorship of companies to a number in which he/she can best devote his/her time and effectiveness; each director is his/her own judge of his/her abilities and how best to manage his/her time effectively in the company in which he/she holds directorship;
7. Should have access to the advice and services of the company secretary, who is responsible to the board to ensure proper procedures, rules and regulations are complied with;
8. Should at all times exercise his/her powers for the purposes they were conferred, for the benefit and prosperity of the company;
9. Should disclose immediately all contractual interests whether directly or indirectly with the company;
10. Should neither divert to his/her own advantage any business opportunity that the company is pursuing, nor may he/she use confidential information obtained by reason of his/her office for his/her own advantage or that of others;
11. Should at all times act with utmost good faith towards the company in any transaction and to act honestly and responsibly in the exercise of his/her powers in discharging his/her duties; and
12. Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the company is at stake

1.4.2 Relationship with Shareholders, Employees, Creditors and Customers

1. Should be conscious of the interest of shareholders, employees, creditors and customers of the company;
2. Should at all times promote professionalism and improve the competency of management and employees; and

3. Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

1.4.3 **Social Responsibilities and the Environment**

1. Should ensure that necessary steps are taken in accordance with the law to properly wind-up or strike off the company register if the company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;
2. Should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
3. Should ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
4. Should be more proactive to the needs of the community and to assist in society-related programmes in line with the aspirations of the concept of Caring Society in Vision 2020; and
5. Should ensure that the activities and the operations of the company do not harm the interest and well-being of society at large and assist in the fight against inflation.

1.4.4 **Confidential Information**

1. In the course of employment or service, Directors may come into possession of confidential or sensitive information and in particular, confidential and sensitive information relating to the Company and or its business associates (“confidential information”). All Directors are prohibited from disclosing any confidential information. It is therefore pertinent that all Directors exercise caution and due care in handling any information obtained in the course of their duties.
2. Directors have a contractual and moral responsibility to safeguard any confidential information to which they may have access in the course of their employment or service. The improper and unauthorised use of such confidential information is totally prohibited.
3. The following are principles and procedures of ethical conduct for Directors when dealing with and preserving confidentiality in regard confidential information :
 - a. Where possible, the Director(s) making the disclosures shall mark as “confidential” all material the Directors regards as embodying confidential information, so that recipients are aware that such information is to be treated as confidential;

- b. Directors shall treat such information in strict confidence, not disclose such information to any unauthorised person, take all necessary precautions to maintain such confidentiality and not use it for any purpose other than for what has been authorised;
- c. Directors who require and/or have access to confidential information shall not disclose the whole or any part of the information or have any discussions with any other unauthorised person in relation to the information;
- d. When transferring confidential records, data or such information to other persons or entities, the Director shall notify the recipient of the confidentiality of the said information;
- e. No Director shall make use of any confidential information obtained directly or indirectly in the course of his/her duties for his/her own personal use (whether or not it is for financial or other gain), unless duly authorised;
- f. No Director shall provide or transfer any confidential information obtained directly or indirectly in the course of his/her duties to another person for that other persons personal use (whether or not it is for financial or other gain), unless duly authorised;
- g. No Director shall use any confidential information as a basis for any securities or other transactions for himself/herself or make recommendations to another to enter into such securities or other transactions based on such information;
- h. Director shall not during or after cessation of his/her employment or service with the Company, disclose confidential information to any other person within or outside the Company unless such information has subsequently (but prior to the Director's above disclosure) entered the public domain.

1.4.5 **Conflict of Interest**

- 1. The term "conflict of interest" describes any circumstances that could cast doubt on Directors' ability to act with total objectivity with regard to the Company's interests and statutory duties. No Director shall knowingly place himself/herself in a position that would be in conflict with the interest or statutory duties of the Company. Directors in avoiding situations of conflict of interest shall :
 - a. Ensure that their personal financial circumstances and transactions do not jeopardise their independent judgment or adversely affect their job performance;
 - b. Not hold any financial or other interest either directly or indirectly in any contractor, vendor or party having or is likely to have business dealings with the Company, unless duly authorised;

2. Whilst it is impossible to specify all situations where a conflict of interest may arise, the following are example of situations that constitute a conflict :
 - a. Any direct or indirect financial or other interest in a person or entity which has dealings with the Company or its subsidiaries where the Director can influence decisions with respect to the Company's dealings with such person or entity;
 - b. Serving on the Board of Directors or employment or service in any capacity (with or without remuneration) with any person or body that has dealings with the Company;
 - c. Where such Director acting in the capacity of being a member of any tender/purchasing committee of the Company has a direct or indirect interest in a person or entity that has a relevant matter for consideration before the said tender/purchasing committee.
3. Where a conflict of interest situation arises, the Director shall disclose to the Board of Directors all potential conflict and where relevant, abstain from voting as a member of the relevant committee on any matter in which he/she may have an interest (direct or indirect) or where there may be potential conflict of interest.

1.4.6 **Insider Trading**

1. All Directors are prohibited from engaging in insider trading.
2. Insider trading is illegal and is defined as trading in stock of public-listed companies (PLCs) of KDEB Group while aware of confidential information about the Company that could, if it became public, affect the share price. Disclosure of any information to another person, such as a spouse or a friend, which would enable them to gain a trading benefit not available to the general public, is also illegal and strictly prohibited.
3. Similar restrictions apply to trading in the stock of other companies (outside KDEB Group) using confidential information that the Director has access to because of employment or service with the Company. This conduct is also illegal and could subject the Director to civil and/or criminal action.

1.4.7 **Gifts, Gratuities and/or Bribes**

1. It is a violation of the Code for the Director to solicit or accept any gift or "personal benefit" in connection with his/her employment or service at the Company.
 - a. For the purpose of this provision of the Code, "personal benefit" here would include but are not limited to any gifts, items of legacy, fees, rebates, rewards, commissions, services, favours, offices, employment contracts, and holidays and any item where there is a likelihood that the Director will be or will appear to have been improperly influenced the objectivity of the Director in the performance of his/her duties.

- b. Any other business courtesy given in an attempt to motivate the Director to do anything that is prohibited by law, regulation or the Company's policy.
2. Notwithstanding the above, the following gifts or personal advantage (provided not exceeding **RM500** in total value) that are deemed as not given to influence the Director's performance of duties include, :
 - a. Normal business courtesies, such as meals or other like entertainment;
 - b. Token gifts which are occasional;
 - c. Gifts presented to Directors during birthdays, weddings, Hari Raya, Chinese New Year, Deepavali and Christmas or other festive occasions when gifts are traditionally exchanged;
 - d. Remuneration received from a governmental/statutory based body or an organisation which is charitable or educational in nature for which the Director provides separate services outside his/her duties to the Company;
 - e. Non-cash gifts presented to the Directors attending social functions on behalf of the Company;
3. Public interest shall prevail over any conflicting interest the Director may have. The Directors should evaluate their employment or service relationship with the Company to ensure that situations of conflict are avoided. To this end, the Director may consult the Chairman of the Board of Directors for advice. The Director shall not act when he/she is placed in a position in which his/her views or judgement is likely to be biased. It is the responsibility of each Director to act and to perform his/her duties at the Company, with transparency, impartiality and objectivity.

1.4.8 Dishonesty/General Conduct

1. Directors shall not be involved in or aid or abet any activity that is a criminal offence punishable by imprisonment or one where the relevant authorities deem as an activity that requires the Director to be placed under any legal order of restricted residence or banishment.
2. Directors shall not be involved in or aid or abet any activity that is deemed by the Company to be a misconduct. Misconduct shall include without limitation to acts involving :
 - a. Use of foul or abusive language/behaviour against fellow Directors or any person having business with the Company;
 - b. Use of threat or use of violence and or intimidation against another Director or persons having dealings with the Company in the Company premises;

- c. Inciting religious or racial disharmony amongst the Company Directors or others;
- d. Participating in or inciting civil commotions and unlawful strikes;
- e. Consumption/use of or being under the influence of alcohol or prohibited drugs/narcotics during working hours or possession, distribution or use/abuse of prohibited drugs/narcotics in the Company's premises;
- f. Conviction or imprisonment for any criminal offence by a court of law which indicates unsuitability for the job or raises a threat to the safety, wellbeing or reputation of the Company, its Directors, customers or property;
- g. Willful slow-down of work or inciting others to do so or conduct that is disruptive towards fellow Directors or lawful visitors of the Company;
- h. Committing an immoral or indecent act in the Company's premises;
- i. Engaging in activities involving the unauthorised use, sale, transfer, conversion or defacement the Company property or that of a fellow Director;
- j. Bringing to or being in possession of or distribution of pornographic material during working hours or in the Company's premises;
- k. Organising of or participating in any gambling activity in the Company premises or doing so during working hours;
- l. Money laundering activities during working hours or in the Company's premises;
- m. Use of property or facilities of the Company for purposes of committing or attempting to commit or preparing to commit a misconduct;
- n. Money lending activities during working hours or in the Company's premises.

1.4.9 **Discovery**

1. Any Director who becomes aware of any such activities as above is required to report such matters immediately to the Group Human Resources of the Company or whichever appropriate who is empowered to conduct a full investigation. The Company further reserves the right to report any actions or activity suspected of being of a criminal nature to the police or other relevant authority.
2. Directors should not attempt to conduct individual investigations or interviews/interrogations in order to determine whether or not a suspected activity is, in fact, improper.

1.4.10 Sexual Harassment

1. Sexual harassment by or of any Directors of the Company, is unacceptable and strictly prohibited. Directors are to be guided by the provisions contained in the 'Code of Practice on the Prevention and Eradication of Sexual Harassment in the Workplace' issued by the Ministry of Human Resource, Malaysia.
2. Escalation Process for Sexual Harassment

Due to the sensitive and personal nature of sexual harassment complaints and to protect victims from further embarrassment, all reports/complaints shall be treated in strictest confidence. Complaints and grievances shall be handled and resolved according to the escalation procedure prescribed.

1.4.11 General Compliance

1. Property, Equipment and Use of Facilities

Directors shall not cause any damage to property whether belonging to the Company or to other Directors located within the premises of the Company or any use of any such property to commit any criminal acts or any act of misconduct as determined by the Company.

Properties of the Company assigned to the Directors are strictly to be utilised for work related purposes only. Abuse or misuse of the properties so assigned is a serious violation of the Code.

2. Accurate Representation of Information

It is the responsibility of all Directors to ensure that the public or any party dealing with the Company with whom the Director is communicating with on behalf of the Company, receives accurate and authorised information only.

3. Proper Recording and Disbursement of Funds and Other Assets

Funds and other assets of the Company are to be used for legal and proper business purposes only. No unauthorised, false, improper or misleading records or entries shall be made in the books and records of the Company.

4. News Release

No Director of the Company is authorised to make any statements about the Company to the news media or the public without prior approval of the Chairman, Chief Executive Officer or such other designated personnel or authorised persons of the Company.

5. Religious/Racial/Sexual Discrimination

No Director of the Company shall practice any form of discrimination or prejudice in the workplace.

1.5 Reporting of Breaches/Whistleblowing to Violations of the Code

1.5.1 Violation of the Code affects the integrity of the Company as well as the integrity of its Directors. Not only does it lead to an unpleasant working environment, but it can also lead to serious legal and financial implications for the Company. The Company is dependent on all Directors to report and not to condone any violations of the Code.

1.5.2 A Director who knows of a violation of the Code that has been committed by another Director or Employee is under obligation to whistleblow or reports it to the Internal Audit Department by completing the Whistleblowing Form as appended in the Whistleblowing Policy and Procedure.

1.5.3 Director is expected to refer to the Whistleblowing Policy and Procedure for details of the requirements and procedures.

1.6 Investigation, Due Inquiry and Disciplinary Action

1.6.1 Upon logging a report, the Internal Audit Department will provide the Whistleblower an acknowledgement of receipt of the report. The officers of Internal Audit Department will then proceed to conduct a preliminary investigation to determine whether there are merits to initiate a full investigation. The details and flowchart of investigation procedures is available in the Whistleblowing Policy and Procedure.

1.6.2 In any case where a domestic inquiry is required, the inquiry and disciplinary proceeding shall be in accordance with the procedures as stipulated in the Human Resources Operations Manual.