



# CODE OF ETHICS & CONDUCT

## INDEX

<b>1</b>	<b>BASIC PRINCIPLES</b>	<b>3</b>
<b>2</b>	<b>WORDS AND EXPRESSIONS</b>	<b>4</b>
<b>3</b>	<b>CONFLICT OF INTEREST</b>	<b>5</b>
<b>4</b>	<b>POLITICAL, SOCIAL, PROFESSIONAL BODIES OR EXTERNAL ACTIVITIES</b>	<b>8</b>
<b>5</b>	<b>MONEY LAUNDERING</b>	<b>8</b>
<b>6</b>	<b>INSIDER TRADING</b>	<b>8</b>
<b>7</b>	<b>PERSONAL DATA</b>	<b>10</b>
<b>8</b>	<b>HARASSMENT</b>	<b>11</b>
<b>9</b>	<b>DRUGS AND ALCOHOL</b>	<b>12</b>
<b>10</b>	<b>VIOLATION</b>	<b>12</b>
<b>11</b>	<b>BREACH OF TRUST</b>	<b>12</b>
<b>12</b>	<b>FALSIFICATION OF EXPENSES</b>	<b>13</b>
<b>13</b>	<b>FALSIFICATION OF DATA</b>	<b>13</b>
<b>14</b>	<b>CONFIDENTIALITY</b>	<b>13</b>

## **AZRB GROUP CODE OF ETHICS & CONDUCT**

AZRB Group of Companies (“the Company”) is committed to maintaining the highest standards of integrity and professionalism in its business dealings. At all times, we comply with the laws of the country where we have operations and we conduct ourselves with the highest level of ethical behaviour.

To promote and instil in our Employees the standards of conduct which are expected of them, the Board of Directors has introduced the Company’s policies and guidelines in the AZRB Group Code of Ethics & Conduct (“the Code”).

Every Employee is expected to be familiar with, understand and comply with all provisions detailed in the Code. Where the Employee has doubts whether certain conduct or situation is inconsistent with the Company’s policies or the provisions of the Code, it shall be the Employee’s responsibility to seek clarification from Human Resource Department.

The objective of the Code is to ensure that the Company’s business interactions are being conducted fairly, impartially and should not in any circumstances, be tainted by malpractices.

### **1. BASIC PRINCIPLES**

The underlying basic principles behind the Code are as follows:

- To be honest;
- To avoid situations where the personal interests of the Employee conflict with the interests of the Company, and to avoid the appearance of a conflict of interest in the opinion of the Company;
- To avoid abuse or misuse of the Employee’s position in the Company;
- To maintain secrecy of confidential information obtained by reason of employment in the Company, and not to disclose or use such information for personal advantage; and
- To avoid placing the reputation of the Company in jeopardy.

## 2. WORDS AND EXPRESSIONS

2.1 Unless the context shall otherwise require, the following expressions shall have the following meanings:

- (a) “Cash” means money, cheque, bank draft, credit note, discounts which are not in the normal practice of business and other monetary instrument which is capable of being converted into money.
- (b) “Company” means AZRB Group of Companies, its subsidiaries and associate companies.
- (c) “Employee” means any person, including an intern, employed by the Company under a contract of employment to work for hire or reward under permanent, contractual or temporary employment.
- (d) “Extravagant Entertainment” means amongst others:
  - i. Airline tickets for non-official purposes;
  - ii. Hotel accommodation for non-official purposes;
  - iii. Expensive recreational activities and amusement events;
  - iv. Other Entertainment that is not in the normal practice of business as may be advised by the Company from time to time.
- (e) “Gifts” please refer to AZRB Gift & Entertainment Procedure.
- (f) “Immediate Family Members” means Employee’s spouse, parents, brothers and sisters, children including adopted and stepchildren and their spouses.
- (g) “Insider Trading” means trading either personally or through others by the Employee or his Immediate Family Members in the Securities of the Company on the basis of information gained in the performance of or in connection with any Employee’s duties and not generally available to the public.
- (h) “Kickback” means a return of a portion of a monetary sum received, especially as a result of a secret agreement.

- (i) “Securities” means stocks and shares, bonds, debentures, loan stocks or such similar instrument of equity or debt traded on any stock exchange.

2.2 Words importing the masculine gender shall include the feminine and vice versa.

2.3 Words importing the singular number shall include the plural number and vice versa.

2.4 Where any approval or consent is required to be obtained under this Code, such approval or consent must be in writing.

### 3. **CONFLICT OF INTEREST**

Conflict of Interest arises when an Employee’s ability to perform his duties impartially and to the best interests of the Company is impaired by an outside appointment, relationship, activity or personal interests. An Employee should also avoid any situation where the Employee’s personal interests appear to conflict with the Company’s interests or reflects unfavourably on the Company.

(a) The following relationships, activities and Employee conduct are examples of situations where a Conflict of Interest, in violation of the Company’s policy, would be regarded as having arisen unless full disclosure has been made and/or prior written approval from the Company has been obtained, as the case may be, for the holding of such personal interests or outside activities:

- (i) An Employee or his Immediate Family Member having an interest in any firm or organisation which has, or is seeking to have business dealings with the Company, where there is an opportunity for preferential treatment, except where prior written approval from the Company has been obtained or where the interest in public companies is less than 5% of the equity;

- (ii) An Employee holding an interest in any competitor of the Company that is significant in the opinion of the Company, except where prior written approval from the Company has been obtained or where the interest in public companies is less than 5% of the equity;

- (iii) An Employee or his Immediate Family Member competing directly or

indirectly with the Company through outside business activities which in the opinion of the Company may prejudice the Company's business, except where full disclosure has been made to the Company;

- (iv) An Employee serving as an Employee or director of any other company, or in the management capacity for, or as a consultant to any individual, firm or organisation doing, or seeking to do business with the Company, except if prior written approval from the Company has been obtained;
- (v) An Employee's Immediate Family Member is employed by a competitor, or is self-employed, in a common business of the Company where the Employee and his Immediate Family member have access to and use highly sensitive and proprietary information of competitive value to the Company, except where full disclosure has been made to the Company;
- (vi) The acceptance by an Employee of membership on the board of directors of any organisation which has, or is seeking to have business with the Company or as a consultant or adviser to any such board of directors or to the management of a firm, person or organisation which has, or is seeking to have business with the Company, except where prior written approval from the Company has been obtained;
- (vii) The acceptance by the Employee's Immediate Family Member of membership on the board of directors of any organisation which has, or is seeking to have business with the Company or as a consultant or advisor to any such board of directors or to the management of a firm, person or organisation which has, or is seeking to have business with the Company within the knowledge of the Employee, except where full disclosure has been made to the Company;
- (viii) An Employee approving or administratively controlling contracts or other business arrangements between the Company and his Immediate Family Member or with an individual, firm or organisation employing an Immediate Family member in activities under the Employee's administrative control, except where prior written approval from the Company has been obtained;
- (ix) Undertaking employment concurrently with any other firm organisation, if such employment encroaches into the actual work and the working hours that should

be devoted to the Company, except where prior written approval from the Company has been obtained;

- (x) Lending money, guaranteeing debts, borrowing money (except for borrowings from financial institutions or other licensed money lending corporations) or accepting Extravagant Entertainment, Gifts of Significant Value or favours so as to place an Employee or a member of the Employee's Immediate Family member under obligation to a competitor, supplier of materials or services, or customer of the Company or any other party having business dealings with the Company, except where full disclosure has been made to the Company; and
- (xi) The use by Employee of Company's personnel, facilities, equipment or supplies for personal benefit or personal gain contrary to the Company's policies and procedures, except where prior written approval from the Company has been obtained.

The above list is not exhaustive. An Employee is prohibited from putting himself in a situation where in the opinion of the Company a conflict situation could exist.

- (c) An Employee or his Immediate Family Member is prohibited from selling, taking or granting products, goods or commodities manufactured, bought or sold by the Company.
- (d) Directorship Outside the Company
  - (i) It is the Company's policy to restrict the holding by Employee of directorships outside the Company and to prohibit the acceptance of such a position if it would involve, inter alia, a Conflict of Interest with, or interfere with the complete and faithful discharge of the Employee's duties to the Company.
  - (ii) An Employee wishing to serve as a director outside the Company must apply in writing to the Company providing justifications for the holding of such directorships. All directorship posts held whilst in the employment of the Company must be declared and approved by the Company. Particulars of the directorship must be submitted using the prescribed form. The consent from the Company must be in writing and is subject to review from time to time. The Company, in giving consent, may further impose specific conditions as deemed appropriate on a case-by-case basis.

- (iii) Director's fees, meeting fees and all other remuneration received by the Employee relating to his position as a director outside the Company on a personal capacity, shall be declared to the Company.

#### **4. POLITICAL, SOCIAL, PROFESSIONAL BODIES OR EXTERNAL ACTIVITIES**

- (a) An Employee engaging in political activities will do so in his personal capacity as a private citizen and not as a representative of the Company, and shall ensure that his activities do not interfere with the efficient and due discharge of his duties to the Company. The Employee shall also ensure that the Company is not perceived as supporting the Employee's activities. If such activities encroach into the actual work and working hours that should be devoted to the Company, prior written approval of the Company must be obtained. The Employee who holds a position in a political party shall declare and obtain approval from the Company.
- (b) An Employee engaging in social or professional bodies related activities will do so in his personal capacity as a private citizen and not as a representative of the Company, and shall ensure that his activities do not interfere with the efficient and due discharge of his duties to the Company. The Employee shall also ensure that the Company is not perceived as supporting the Employee's activities. If such activities encroach into the actual work and working hours that should be devoted to the Company, prior written approval of the Company must be obtained.

#### **5. MONEY LAUNDERING**

- (a) "Money laundering" occurs when the criminal origin or nature of money or assets is hidden in legitimate business dealings when legitimate funds are used to support criminal activities and terrorism. In Malaysia, money laundering is an offence under the relevant Act.
- (b) An Employee is prohibited from exercising activities related to money laundering.
- (c) An Employee is expected to be mindful of the risk of the Company's business being used for money laundering activities, and to raise any suspicious transactions to their immediate superior.

#### **6. INSIDER TRADING**

An Employee is not allowed to indulge in the practice of Insider Trading in the manner prohibited under the relevant laws or guidelines as may be imposed by the relevant authorities from time to time.



(a) Insider

For the purpose of this section, an Insider shall include:

- (i) Beneficial trusts of such Employee and his Immediate Family Members; and
- (ii) Other persons acting on behalf of, or in conjunction with, such Employee and his Immediate Family members.

Who:

- (i) possesses information that is not generally available, which on becoming generally available a reasonable person would expect it to have a material effect on the price or the value of Securities of the Company, its Customers or Suppliers; and
- (ii) knows or ought reasonably to know that the information is not generally available.

(b) Dealing in Securities of the Company

No Directors and designated principal officers of the Company shall deal in the Securities of the Company:

- (i) During the period commencing from the time information is obtained, up to one full market day after the announcement to the relevant stock exchange of a matter that involves price-sensitive information in relation to the securities concerned; and
- (ii) During the period commencing from one month prior to the targeted date of announcement to the relevant stock exchange of the quarterly results, up to one full market day after the announcement of Company's results for the financial quarter.

Where Directors and designated principal officers deals in the securities of his own Company outside closed periods, the Directors and designated principal officers the Company and the company secretary of the Company must comply with the following requirements: -

- (i) The Directors and designated principal officers must, within 3 market days after the dealing has occurred, give notice of the dealing in writing to the company secretary and the Company must make an immediate announcement to the to the relevant stock exchange of such dealing. The notice and announcement shall include the following;

- the date on which the dealing occurred;
- the consideration for the dealing; and
- the number of securities involved in the dealing both in absolute terms and as a percentage of all issued securities of that class in the Company.

(ii) The Directors and designated principal officers must maintain a proper record of all notices received by it pursuant to point (i) above.

(iii) The company secretary of the Directors and designated principal officers must at each meeting of the board of directors, table a summary of dealings notified to the Directors and designated principal officers since the last board meeting.

(c) Dealing in Customer or Supplier Securities or Merger/Acquisition Information

At any time when the Employee has knowledge of price-sensitive information not generally available to the public, no dealing in the Securities of customers or suppliers or target Company in Merger/Acquisition, on the basis of information gained as an Employee, should take place.

**7. PERSONAL DATA**

The Company is committed to maintaining the confidentiality, security and integrity when dealing with personal data. The law regulates the protection of personal data in regards to commercial transaction and requires compliance with the following seven (7) Personal Data protection principles:

(i) General:

Personal data can only be processed with the data subject's consent.

(ii) Notice and Choice:

Data subjects must be informed by written notice of, among other things, the type of data being collected and the purpose, its sources, the right to request access and correction, and the choices and means by which the data subject can limit the processing of their personal data.

(iii) Disclosure:

Personal data may not be disclosed without the data subject's consent for any purpose other than which the data was disclosed at the time of collection, or to

any person other than that notified to the data user.

(iv) Security:

Data users must take practical steps to protect the personal data from any loss, misuse, modification or unauthorised access or disclosure, alteration or destruction.

(v) Retention:

Personal data shall not be kept longer than is necessary for the fulfilment of its purposes.

(vi) Data Integrity:

Data users must take reasonable steps to ensure that personal data is accurate, complete, not misleading and kept up-to-date.

(vii) Access:

Data subject must be given access to their personal data and be able to correct any personal data that is inaccurate, incomplete, misleading or not up-to-date.

An Employee shall always ensure the compliance to the Company's personal data policies and procedures in accordance with the law when dealing with personal data, particularly regarding the collection, processing, retention and disclosure of such data.

## **8. HARASSMENT**

(a) It is the Company's policy to provide a working environment that fosters mutual Employee respect and a harassment-free working relationship.

(b) The Company strictly prohibits any form of harassment which includes, but is not limited to, unwelcome verbal or physical advances and sexually, racially or otherwise derogatory or discriminatory materials, statements or remarks during the performance of official duties:

(i) Creating an intimidating, hostile or offensive work environment;

(ii) Unreasonably interfering with an Employee's work performance; or

(iii) Affecting an Employee's employment opportunity.

- (c) Any Employee who believes that he has been subjected to harassment and any Employee who observes or becomes aware of any harassment should immediately report the incident to his immediate superior or to Human Resource Department. All reports will be treated as confidential.

**9. DRUGS AND ALCOHOL**

- (a) An Employee is prohibited from possessing, using, consuming, distributing or selling illicit or unprescribed controlled drugs, inhalants and all other forms of substance abuse during employment with the Company.
- (b) Reporting for work under the influence of, or being unfit for work as a result of consuming alcohol at the Company's premises is a gross misconduct which may lead to disciplinary action being taken.

**10. VIOLATION**

- (a) Non-compliance with the Code is a misconduct, violating the terms and conditions of employment which will result in an investigation/inquiry to establish the facts and if substantiated may lead to disciplinary action being taken.
- (b) In the case of suspected corruption and bribery or other forms of criminal activity or breach of the law or regulations, the Company has the right to report the case to the appropriate authorities.
- (c) An Employee who has any knowledge of any questionable or possible breach of the Code or possible illegal action affecting the Company, is expected to report such actions to his superior or to the Company immediately. Additionally, full disclosure and co-operation of the Employee with the parties involved in the investigation is essential. Any concealment, regardless of reason, will be considered a violation of the Code.

**11. BREACH OF TRUST**

Means any act which is in violation of an Employees duties or responsibilities, whether it is intentional but can be due to negligence.

A breach of trust is when someone is entrusted with certain duty and then proceed to breach that duty.

This shall be considered as a serious misconduct and the Company shall take stern action against the Employee, and if necessary shall be reported to the authorities.

**12. FALSIFICATION OF EXPENSES**

Falsification of expenses is fraud, including falsification of claim including overtime. An Employee would be committing a criminal offence and risking criminal prosecution. It is a breach of trust and confidence, even if the amount is small. Deliberate falsification of expenses or claim would justify dismissal by the Company.

**13. FALSIFICATION OF DATA**

Falsification of data to complete a report or any form required by the Company i.e. declaration on substance abuse, critical illness, bankruptcy, criminal offence, directorship, relationship with An Employee or director of the Company and/or wrongly input of data in the employment application constitutes falsification of data even if committed unintentionally. This shall include using or representing the work of others as your own (constitutes plagiarism) even if committed unintentionally.

**14. CONFIDENTIALITY**

An Employee shall not reveal Company proprietary or confidential information to any other parties during or after employment. An Employee is also restricted from using Company-owned confidential information.

I, \_\_\_\_\_, I/C No: \_\_\_\_\_  
hereby declare that I have read and understood the content of AZRB Code of Ethics & Conduct in its  
entirety and agree to abide by them. Any breach of the contents shall be subjected to the disciplinary  
actions.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

