

# **CODE OF CONDUCT & ETHICS**

**FOR  
MTAG GROUP BERHAD  
(201801000029) (1262041-V)**

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**CODE OF CONDUCT & ETHICS**

This **Code of Conduct and Ethics** (“Code”) applies to and provides guidance on the standards of behaviour, value, principles and practices expected of all Directors and employees of MTAG Group Berhad (“Company”) and its subsidiaries (collectively referred to as the “Group”). This Code reflects the objective of management to reinforce Group ethical standards and to sustain a work environment that fosters integrity, caring, respect and professionalism

**CODE OF ETHICS**

In the performance of his/her duties, the members of the Board shall at all time observe the following Code of Ethics:-

- ❖ Should have a clear understanding of the strategic aims and purpose, capabilities and capacity of the Group.
- ❖ Should devote sufficient time and effort to attend meetings and to know what is required of the Board of Directors (the “**Board**”) and each of its Directors, and to discharge those functions.
- ❖ Should ensure that the Group is properly managed and effectively controlled at all times.
- ❖ Be well informed of the affairs of the Group and on all matters of importance to the Group for the directors to be effective in corporate and operational management.
- ❖ Should limit his/her directorship in companies to a number to ensure that he/she can devote his/her time to ensure that that his/her contributions to the Group are effective.
- ❖ The Directors 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. Directors are expected to observe the highest standards of corporate governance at all times.
- ❖ Directors to ensure that his/her authorities are used for the benefits of the Group and any contractual interests with the Group whether directly or indirectly are disclosed immediately.
- ❖ To act honestly at all times and not to divert to his/her advantage or jeopardize any business opportunity that the Group is pursuing or use any confidential information obtained by reason of his/her office for his/her own advantage
- ❖ Should promote professionalism at all times, exercise professional independent judgement if necessary, openly oppose any decision making if the vital interest of the Group is at stake and improve the competency of management and employees.
- ❖ To act always in good faith, with due care, competence, ethically, with integrity and loyalty and conduct themselves in a professional, courteous and respectful manner.
- ❖ Directors should not accept positions on Board Committees or working groups where a conflict of interest is likely to arise without firstly declaring that interest and obtaining the Board's approval.
- ❖ To declare any personal, professional or business interests that may conflict with his/her responsibilities as a director in the Group immediately.
- ❖ To treat all the colleagues, employees and other associates of the Group professionally and shall not harass any of them in any manner regardless of creed, race, religion, rank or gender.
- ❖ Should exercise the necessary competence and due diligence to avoid breaches of duty via negligence, omission, and unauthorised communications with individuals who are trying to influence by improper means or seeking to receive personal gains through Board decisions or information obtained as an officer of the Group. Such an officer includes any director, company secretary or employee of the Company.

## **CODE OF CONDUCT**

### **1. Comply with all laws and regulations in the countries of operations**

- 1.1 Directors and employees are required to comply with the laws, regulations and licences that are applicable in the countries of operations. They shall seek relevant advice if in doubt.
- 1.2 They shall, at all times, be mindful of costs or damages to the Group if these laws and regulations are not complied with.

### **2. Protection of Company's Assets**

- 2.1 Directors and employees shall take reasonable care to safeguard the Group's assets, including the physical premises, equipment and facilities as well as records and information/data.
- 2.2 The Group's assets shall only be used in a safe, ethical and lawful manner and shall not be used for pursuing improper personal gain or opportunity.

### **3. Safeguarding Confidential Information**

- 3.1 Directors and employees shall be required to safeguard any information regarding the Group and its customers which is considered as confidential at all times. The release of information amongst employees shall be on the need-to-know basis only.
- 3.2 Directors and employees shall not, unless authorized or required by duty, reveal to any person or organization any of trade secrets, communications or confidential information concerning the organization, business, finance and transactions of the Group and its customers; and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group, its customers or their businesses.
- 3.3 Any note, memorandum, working paper, worksheet, report, record, publication, design, invention or any intellectual properties produced during the continuance of an employee's employment with the Group shall remain the property of the Group and shall be treated accordingly.
- 3.4 Information Systems  
Every employee is responsible for preventing unauthorized access to the Company's information systems. Employees shall not modify, relocate, install, or reconfigure Company's technology except under the guidance of appropriate IT representatives and with authorized approval.

### **4. Conflict of Interest**

- 4.1 A conflict of interest is an obligation to or relationship with any person or organization which competes or does business with the Group or its associates that could affect an employee's judgment in fulfilling his/her responsibilities.
- 4.2 Directors and employees should not engage in any activity which is detrimental to the Group or deprives it of a legitimate profit and should not improperly use their positions in order to benefit themselves, relatives, friends or other businesses.

- 4.3 The basic underlying principle in a conflict of interest is that employees should avoid any activity, investment or interest that might reflect unfavourably upon the integrity or good name of themselves or the Group.
- 4.4 Directors and employees are required to be strictly free from the influence of personal interest which contradicts the interest of the Group; and their acts must be motivated by the Company's interest and should not be for any consideration of potential or actual personal benefits such as: -
- a. divulging, communicating, publishing or come to publish any document, paper, book, photograph or letter which are in any way connected to the Group.
  - b. ownership, either directly or indirectly or any material interest in any competitor, supplier, contractor or other entity having business dealings with the Company; and acting in any capacity, either as a director, officer, partner, consultant or agent for other entities having business dealings with the Group.
  - c. accepting directly or indirectly, any payment, services or loan from any supplier, contractor or other entity having business dealings with the Group.
  - d. using one's position to prevent or hinder the Group from carrying out its operations, business or other interest.
  - e. using the Group's personnel, facilities or fund without authorization in pursuit of personal interest.
  - f. receiving a commission or payment of any nature, in monies or in kind, in discharging his duties as an agent of the Group.
  - g. diverting business, personnel or operations from the Group.
- 4.5 Employees shall not, during the continuance of employment or thereafter, either on his own account or on the account of any person, firm or corporation solicit, interfere with or endeavour to entice away from the Group any person, firm or corporation who, at any time during or at the date of termination of employment, were employees, clients of or were in the habit of dealing with the Company

## **5. Interest in other business**

Directors and employees are required to devote their energy and time in promoting the interest of the Group. They shall not engage directly or indirectly in business activities that compete with or are in conflict with the interest of the Company. These activities include but are not limited to the followings: -

- a) conducting business other than the business of the Group during working hours;
- b) carrying out additional gainful employment outside the Group without approval; and
- c) Save for independent directors and non-independent non-executive directors, none of the directors and employees shall serve as a director of corporations which are not related to the Group without the approval of the Managing Director of MTAG Group Berhad. An employee may, however, assume directorships of non-profit or public service corporations, such as religious, educational, cultural, social, welfare, philanthropic or charitable institutions, provided that the discharge of these responsibilities does not interfere with his/her duties and responsibilities in the Group.

## **6. Gifts and entertainment**

- 6.1 As a general rule, employees are discouraged from giving or accepting gifts, entertainment and other benefits to or from suppliers, customers or business partners. The Group does not prohibit normal business courtesies such as modest meals and entertainment, occasional

token gifts and customary gifts during festivals, special occasions or social events, as long as they are reasonable, appropriate, modest and bona fide corporate courtesies.

The following guidelines shall be observed:

- The purpose of the gifts, entertainment and other benefits shall never influence business decision-making processes or cause others to perceive an influence.
- The situation in which the gifts, entertainment and other benefits are received or given shall not be in connection with contractual negotiations of similar situations.

## **7. Anti-bribery and corruption**

- 7.1 Employees shall not offer, give, solicit or accept bribes in order to achieve business or personal advantages for themselves or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.
- 7.2 Employees shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorized remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.
- 7.3 Prior to giving or accepting any business amenity or other gifts (in whatever form or value), employees shall assess the appropriateness of their actions by assessing if the action could influence or could reasonably give the appearance of influencing the business relationship of the Company with that organization or individual or any business decision arising out of that business relationship

Any offence of accepting, soliciting, giving or offering of any form of gratification will be dealt with under the Malaysian Anti-Corruption Commission Act 2009 (MACCA), which includes all amendments, re-enactment or subsidiary legislations that may be enacted from time to time.

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

- 8.1 Employees share with the employer the responsibility for safety. Employees are urged to create and maintain a safe working environment to prevent workplace injuries and shall use all devices provided for their protection. It is the responsibility of employees to ensure that the protective devices are in good working condition and shall report unsafe equipment and tools, hazardous conditions and accidents.
- 8.2 All employees are responsible for their own safety, the safety of fellow workers and the general public, and shall comply with the Occupational Safety and Health Act 1994 (including all amendments, re-enactment or subsidiary legislations that may be enacted from time to time), other pertinent prevailing laws, and safety rules issued by the Company. In case of any doubt, employees shall seek clarification from their supervisors before starting work.
- 8.3 Entry and Work in Restricted Areas  
Only employees with authorization and competency certifications are allowed to enter the Company's restricted areas. Any intrusions by unauthorized persons, including members of the public must be reported to the supervisor.

## **9 Intellectual Property**

- 9.1 Intellectual Property (“IP”) refers to creations of the mind, such as inventions, literature, music, and other artistic works; discoveries and inventions; and words, phrases, symbols and designs. IP is protected by law, which enables people to earn recognition or financial benefit from what they invent or create.
- 9.2 Directors and employees are duty-bound to ensure that all inventions, discoveries, literature, music, and other artistic works, words, phrases, symbols and designs etc. used are properly authorized by the creators, inventors or owners of such copyrights, patents, designs, and trademarks etc.
- 9.3 No employees are allowed to use any inventions, discoveries, literature, music, and other artistic works, words, phrases, symbols and designs etc. prior to getting the authorization or approval from the creators, inventors or owners of such copyrights, patents, designs, and trademarks etc.
- 9.4 Patent infringement is typically caused by using or selling a patented invention without permission from the patent holder is strictly forbidden.
- 9.5 Copyright infringement is reproducing, distributing, displaying or performing a work, or to make derivative works, without permission from the copyright holder, which is typically a publisher or other business representing or assigned by the work's creator, or often called "piracy" is strictly forbidden.
- 9.6 Trademark infringement occurs when one party uses a trademark that is identical or confusingly similar to a trademark owned by another party, in relation to products or services which are identical or similar to the products or services of the other party, is strictly forbidden.

## **10 Insider Information**

Directors and employees shall not deal in the shares or securities of the Company or any other listed companies when in possession of information, obtained as a result of directorship in or employment by the Group which is not generally available to shareholders and the public, and which, if it was so available, would likely bring about a material change in the market price of the shares or securities of the Company or the listed company. Further, directors and employees shall not disclose such price-sensitive information to any third party or encourage any other person to deal in price-affected securities.

## **11 Whistle-Blowing Procedures**

The Group has established the Whistle-Blowing Procedure which employees and external parties may use to report any unlawful or unethical situation or any suspected violations of the Code without fear of punishment or unfair treatment.

## **12 Media Relations**

All enquiries from the media (i.e. television, radio, press etc.) must be referred to Managing Director and Executive Director of MTAG Group Berhad. Employees are not permitted to give interviews for any purpose connected with the Company or the Group without the prior consent of the appropriate authority.

### **12.1 Customer Relations**

Employees shall provide superior customer service and treat customers professionally, respectfully, fairly, courteously and responding promptly to their needs.

### 12.2 Competitor Relations

Employees are not to discuss with a competitor or its representatives include but are not limited to the followings: -

- Prices.
- Bids.
- Terms or conditions of agreements.
- Production, sales capacity or volume.
- Costs, profits or profit margins.
- Market share.
- Project or service offerings.
- Customer or supplier classifications.
- Distribution methods.

### **13 Money laundering**

Employees should always ensure that they are conducting business with reputable customers, for legitimate business purposes and with legitimate funds. Employees are expected to be mindful of the risk of the Group's business being used for money laundering activities.

### **14 Corporate Responsibility**

The Group is dedicated to operate the business economically, socially and environmentally responsible. The Group is committed to the principle of sustainable development. It strives to make efficient use of natural resources and minimize the environmental impact of its activities and products over their life cycle.

### **15 Non-Compliance**

Directors and employees must immediately report any concern about possible or actual breaches of the Code by any Director / employee to the Chairman of the Company. The Board or the top management shall determine appropriate actions to be taken after considering all relevant information and circumstances or may take necessary action to ratify on the non-compliance by Directors or employees.

### **16 Review of the Code**

This Code shall be reviewed by the Board and amendments to be made from time to time to be in line with the changes in the law or governance code, coupled with the change in the Group's vision, values and business plan.