



Group Code of Business Conduct Policy & Procedures



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1.0 Introduction

- 1.1 HNG Capital Sdn Bhd (“HNGC”) and its subsidiaries (“the Group”) is committed to conducting its business affairs ethically and in compliance with all applicable laws and regulations in the countries where it does its business. The Group’s Code of Business Conduct (“the Code”) defined the set of organisational rules and standards regarding the Group’s ethics (value and beliefs) as well as matters of legal compliance that govern the conduct of the Group and its Employees.
- 1.2 The Code is part of the Group’s overall corporate enhancement programme. It reflects the increasing importance and need for effective corporate governance compliance measures in the conduct of the Group’s business locally, regionally and globally.

2.0 Definitions

The following words and expressions have the following meaning unless the context otherwise requires:

Key Terminology	Definitions
Board or Board of Directors	Means the Board of Directors of HNGC and/or any of its subsidiary as applicable.
Business Associate	A third parties with whom the Group has, or plans to establish, some form of business relationship. This may include customers, suppliers (including lenders), vendors, distributors, contractors, subcontractors, outsourced service providers (e.g. consultants, advisers, solicitors, agents), representatives, introducers/ intermediaries, investors, joint venture partners and etc.
Code of Business Conduct	A set of Organisation rules or standards regarding the Group’s ethnics (value and beliefs) as well as matters of legal compliance that govern the conduct of the Group and its Employees.
Directors	Include all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.
Employees	All individuals directly contracted to the Group on an employment basis, including permanent and temporary employees and directors.
Group Compliance Office	Refers to the HNGC Group’s Governance Risk Management & Compliance Division of HNG Capital Sdn Bhd.

Key Terminology	Definitions
Group Compliance Officer	Refers to the Head of Governance, Risk Management & Compliance Division of HNG Capital Sdn Bhd.
Family or household	Includes spouse(s), children (including stepchildren and adopted children), parents, step-parents, siblings, stepsiblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of one's household.
Law	The system of rules which a particular country or community recognizes as regulating the actions of its members and which it may enforce by the imposition of penalties.
Line Manager	The Employee who is the immediate supervisor of any other given HNGC Employee.
The Group Management	Means the HNGC Group CEO, Group CFO, Deputy Group CFO and GM - Human Resource

3.0 Purpose

- 3.1 This Policy is established by the Board of Directors to provide guidance on the rules or standards of business conduct to all its Employees within the Group, in the performance of their duties and responsibilities to ensure compliance with the Group's commitment to ethical and lawful conduct.
- 3.2 This Policy is not meant to substitute any relevant standards, rules and policies, but to complements them and support the Group to create a positive public identity, standardise processes and policies, and to increase the level of public confidence and trust among its important Business Associates.

4.0 Scope

- 4.1 This Policy compliance apply to all Employees of the Group irrespective of whether they are stationed in Malaysia or outside Malaysia.
- 4.2 The Group also expects that its Business Associates performing work or services for or on behalf of the Group to comply with the relevant parts of this Policy when performing such work or services. Non-compliance may result in the termination of the non-complying party's relationship with the Group and other adverse consequences.
- 4.3 Joint venture companies in which HNGC is a non-controlling shareholder or partner (if any) and associated companies (if any) are encouraged to adopt this Policy as the bare minimum or similar principles and standards as part of the Group's anti-corruption frameworks.

5.0 Roles and Responsibilities of Group Compliance Office

The Group has established the Group Compliance Office (under the Governance, Risk Management & Compliance Division of HNGC) to be responsible for the administration and implementation of CBC policy.

6.0 Procedures

6.1 Duties of Good Faith, Fidelity, Diligence and Integrity

All employees have a duty to serve the Group with good faith, fidelity, diligence and integrity. They are required to act in the best interests of the Group and to refrain from engaging in conduct or activities which may adversely affect the Group. Employees of the Group and its Business Associates are at all times required to:

- conscientiously maintain the highest degree of **integrity**,
- always exercise proper **care and judgement**;
- **avoid conflict of interest**,
- **refrain from** taking advantage of one's position or exercising one's authority to **further one's own personal interest** at the expenses of the Group, and
- **comply** with applicable laws, regulations and the Group's applicable policies and procedures.

6.1.1 *Compliance with Laws, Rules and Regulations*

The Group shall observe and comply with all laws and regulations that are applicable to the conduct of the Group's business wherever located. Employee shall adhere to internal rules and regulations as they apply in a given situation. Those internal rules are specific to the Group and may go beyond what is required by the law.

6.1.2 *Competition and Fair Dealing*

- (i) The Group shall compete for all business opportunities fairly and ethically, and within the framework of all applicable competition laws at countries which the Group operates.
- (ii) Every Employee shall deal fairly with the Group's Business Associates (e.g. customers, suppliers and service providers) and competitors and shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing or practice. No price fixing, bids rigging or similar unethical or illegal business practices is permitted.

6.1.3 *Guarding against Bribery and Corruption*

- (i) The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and is committed to behaving professionally, fairly and with integrity in all its business dealings and relationships. It undertakes control measures that are proportionate to the risks identified to counter bribery and corruption.

- (ii) Employees and Business Associates are **prohibited** from engaging in any form of bribery and corruption, whether it be directly or through a third party (such as an agent or distributor) which are deemed unethical and will tarnish the Group's reputation if the Group is being charged with criminal liability (corporate liability).
- (iii) Employees and Business Associates must comply with all applicable anti-bribery and anti-corruption laws (ABC laws) and regulations in countries in which the Group operates. Detailed anti-bribery and anti-corruption guidance on areas with high exposure to corruption risks can be found in the Group Anti-Bribery and Anti-Corruption Policy & Procedures (ABC Policy).

6.1.4 *Conflict of Interest*

- (i) A conflict of interest arises when the personal interests or activity of an individual Employee could be seen to have the potential to interfere with the objectivity in performance of that individual's duties and responsibilities to the Group.
- (ii) All Employees have a duty to be free from the influence of any conflicting interest when they represent the Group and are expected to deal with Business Associates on the sole basis of what is in the best interest of the Group.
- (iii) Any Employee who has or proposes to have a conflicting interest shall disclose it to his/ her Line Manager who shall escalate the report to the Group Compliance Office for obtaining further approval/ clearance. Such reporting must be reported as soon as practicable stating the nature, facts, extent of the conflict and proposed action to resolve/ manage the conflict.
- (iv) This disclosure requirement extends to the Employee's family or household member's (i.e. spouse, parents, children and their spouses and siblings and their spouses) interests in suppliers, customers, contractors and all other business enterprises with significant transactions or dealings with the Group.
- (v) When such a conflict of interest situation becomes known to Employee or Business Associates, unless otherwise instructed/ approved by the Group, he/ she will abstain from participating in the decision making or deliberations involving the entity or person and also avoid doing anything which could influence the decisions on such dealings.

6.1.5 *Gifts, Entertainment, Hospitality and Travel*

- (i) The Group prohibits the use of improper gifts, entertainment, hospitality and travel to influence business decisions. Every Employee must comply with the applicable policies, procedures, laws and regulations related to the use of gifts, entertainment and travel in all countries in which the Group operates.

- (ii) The Group recognises that the practice of giving and receiving business gifts, entertainment, hospitality or travel varies amongst countries, regions, cultures and religions. As such, definitions of what is acceptable and not acceptable will inevitably differ for each. The intention behind the gift should always be considered, so that it does not create an appearance of bad faith and impropriety and should not be misunderstood by others to be a bribe.
- (iii) Employees of the Group are expected to exercise proper judgment in handling the giving and receiving gifts, entertainment, hospitality or travel activities and behave in a manner consistent with the corporate values and principles.
- (iv) Gifts, entertainment, hospitality or travel given and received should always be disclosed to the Group Compliance Office as soon as possible for clearance before next actions (including to return to giver if necessary).

6.1.6 *Corporate Social Responsibility (CSR), Donations and Sponsorship*

- (i) The Group is committed to contributing to the wellbeing of the people and nation in countries where it operates. It accepts and encourages the act of donating to charities as part of its CSR initiatives, whether through services, knowledge, time or direct financial contributions (cash or otherwise).
- (ii) Employees must ensure that request for CSR, donations and sponsorship must be carefully examined for legitimacy and are not used to facilitate and conceal acts of bribery. Hence, in line with the Group's value of integrity and transparency, all CSR, donations and sponsorship must comply with the following:
 - The contributions are allowed by applicable ABC laws,
 - All CSR, donations and sponsorships are to be made after receiving authorisation from the Group,
 - Any red flags arise must be resolved before committing any funds to the programme. Even though requests are determined to be legitimate, the requests must be carefully structured to ensure that benefits reach their intended recipients,
 - Contributions are made to properly established entities having an adequate organisational structure to guarantee proper administration of the funds, Proper due diligence needs to be carried out in particular to ascertain whether any Public Officials are affiliated with the group,
 - Be accurately stated in the company's accounting books and records, and
 - Must not to be used as a means to cover up an undue payment or bribery.

6.1.7 *Political Contributions*

- (i) The Group observes all applicable laws and regulations concerning political contributions in the countries that we operate in. No company funds or resources shall be used to make any direct or indirect political contributions on behalf of the Group without a satisfactory opinion from qualified local legal counsel as to its legality under applicable laws and approval from the Board.
- (ii) If any of the Employee wish to contribute his/ her own time or money to any political activity, it shall be deemed as an entirely personal and voluntary decision.

6.1.8 *Business and Financial Records*

- (i) The Group's documents and records (not only financial accounts but other operations records as well) are meant for business purposes and requirements, compliance with legal, tax, accounting and regulatory laws. All Employees must control and maintain such records so that they are accurate, up-to-date, legible, readily identifiable and retrievable.
- (ii) Falsification of financial or any other records or misrepresentation of information may constitute fraud and can result in civil and criminal liabilities for Employees and the Group. All Employees are obliged to report false entries or omissions and to highlight questionable or improper accounting in the books and records of the Group.
- (iii) All Employees must not, for example:
 - conceal, alter, destroy or otherwise modify the Group's records or documents other than in accordance with established, ordinary course procedures (and in no case impede or frustrate an investigation or audit or conceal or misstate information);
 - intentionally make a false or misleading entry in a record, report, file or claim (including travel and entertainment expense reports);
 - establish accounts, companies or arrangements to circumvent or frustrate the Group's controls, policies or procedures;
 - fail to cooperate fully and truthfully with internal and external audits authorised by the Group; or
 - engage in any scheme to defraud anyone of money, property or honest services.
- (iv) All Employees must ensure that the business communication is clear, truthful and accurate, avoid misleading information, speculative opinions or derogatory remarks. This applies to communications of all kinds, including formal and informal e-mail, notes or memos

6.1.9 *Use of Company Assets (including Email and Internet Services)*

- (i) All Employees should protect the Group's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Group's profitability. All company assets are to be used for legitimate company purposes. Any suspected incident of fraud, theft or misappropriation should be immediately reported for investigation.

6.1.10 *Outside Appointments*

- (i) Employees must devote the time and attention to the fulfilment of obligations to the Group. The Group Employees may not take up other employment or gainful activity, whether part-time or full-time, or be involved in any outside business activities, in whatever capacity (including being involved in the management, direction or conduct of another enterprise) without the express written permission from the Group Chief Executive Officer (Group CEO).
- (ii) The granting of permission will be subject to satisfying the Group that such activity will not interfere with or compromise the proper performance of one's duties or the fulfilment of one's obligations to the Group. If the employee already engaged in any other gainful activity or involved, either directly or indirectly, in the management or business activities of any other company or companies, firms, corporations or other business activities, he/ she should come forward and disclose his/ her activity to the Group Compliance Office.

6.2 Workplace Culture and Environment

6.2.1 *Fair, Safe and Conducive Workplace Environment*

- (i) The Group is committed to providing a safe, secure and conducive workplace culture and environment, where the values of mutual and reciprocal respect, trust and confidence are upheld and actively promoted.
- (ii) Unlawful discrimination in the workplace or job such as race, national origin, religion, gender, age, or sexual orientation or marital status will not be tolerated. All Employees must comply with laws in local jurisdiction that prohibit workplace discrimination.
- (iii) The Group is committed to providing a conducive working environment where the Employee's right to protection from all forms of sexual harassment and unsolicited or unwarranted sexual overtures and advances is accorded due recognition.
- (iv) The Group shall comply with all applicable laws and relevant industry standards of practice concerning protection of the health and safety of its Employees in the work place and minimising the impact of its operations on the environment.

- (v) All Employees are expected to act responsibly to help make the work place healthy and safe and to report any accidents, injuries and unsafe equipment, practices or conditions immediately to Line Manager, supervisor or other designated personnel.

6.2.2 *Non-Business Workplace Relationships*

- (i) When Employees have relationships which go beyond professional relationships and social friendship may create conflicts of interest as well as opportunities for exploitation, favourism or bias.
- (ii) Non-business workplace relationships can create a real likelihood of disaffection, disharmony and significant challenges for the parties concerned as well as for other co-Employees of the Group. Under such circumstances, such relationships are discouraged.
- (iii) Potential conflict of interest can arise when an Employee manages someone with whom he/she have a family, romantic or intimate relationship. Even if he/she can act properly, the relationship will be perceived as having influence over his/ her judgement.
- (iv) Employee should avoid supervising, directly or indirectly, any individual with whom he/ she has such relationship without written clearance from Group CEO.

6.3 Confidentiality Obligations/Public Communications

6.3.1 *Proprietary and Confidential Information*

- (i) The Group values and protects all proprietary and confidential information. In the performance of duties, the Employee may obtain information not generally available or known to the public or the market. Hence, he/she must not communicate or disclose this information to Business Associates or others unless such communication or disclose is authorised by the Group Management in writing or required by laws or regulations.
- (ii) Is it equally important that proprietary or confidential information is only disclosed to other Employees on a need to know basis.
- (iii) The Employee has an obligation to continue to preserve the proprietary and confidential information for a period of two (2) years even after the appointment/ employment has ceased, unless disclosure is required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority.
- (iv) In the course of the employment/ engagement relationship with the Group, the Employee/ Business Associate may have established contacts and relationships with the Group's vendors, suppliers, contractors, principals and other business partners. He/ she will not at any time during his/ her relationship with the Group, or for a period of two years (or for whatever other period of time as may be specified in the terms of the engagement) after the cessation of the relationship with the

Group, whether by resignation or otherwise, make use of business opportunities arising from the relationship with the Group or cause or attempt to cause the diversion of such business opportunity from being exploited by the Group or cause or attempt to cause the termination of contracts, agencies or other business relationships of the Group without first obtaining the prior consent of the Group.

6.3.2 *Making of Public Statements*

- (i) Irrespective of whether in personal or official capacity, all Employees will not either orally or in writing or in any form (including on social media websites) make or circulate any public statement on the policies or decisions of the Group or discuss publicly any measure taken by the Group or any official matter taken or carried out by the Employees or comment on any matter relating to the work of the department or organisation in which he/ she is or was employed, unless he/ she is duly appointed or authorised to make such statement on behalf of the Group.
- (ii) In the Section, “public statement” or “discuss publicly” includes the making of any statement or comment to the press, magazines, periodicals or the public or in the course of any lecture or speech or the broadcasting thereof by sound, vision or electronic means. It also applies to every kind of correspondence including mail, electronic documents, instant messages, websites, social media tools, blogs, paper documents, facsimile, voice and voicemail recordings.

6.3.3 *Social Media*

- (i) Every Employee has the responsibility to protect the Group’s reputation and brand image. When using one’s private social media accounts, the Employee must ensure that his/ her posts reflect only his/ her personal opinions and does not negatively affect public perception of the Group. The Employee should also take extra precaution so as to not share any confidential and proprietary business information.
- (ii) Employees and Business Associates who are tasked to manage the Group’s official social media accounts are also responsible in ensuring that the management of the accounts, and the activities within, are in accordance with the Group Management’s directives.

6.4 Employees Responsibilities

6.4.1 Employees of the Group are responsible to ensure the following:

- (i) Certify in writing that they have *read, understood* and *will comply* with this CBC Policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the Employee’s employment.
- (ii) Be familiar with applicable requirements and directives of this Policy and communicate them to subordinates;
- (iii) Observe high standards of business and personal ethics in the conduct of their duties and responsibilities;

- (iv) Practice honesty and integrity in fulfilling his/ her responsibilities and comply with all applicable laws and regulations;
- (v) Maintain a work environment that fosters fairness, respect and integrity. The Group requires all Employees to conduct themselves in a lawful, honest and ethical manner in all of the Group's business practices;
- (vi) Promptly report violations or suspected violations through appropriate channels; and
- (vii) Promptly complete the Group's ABC Policy, CBC Policy and Whistleblowing Policy trainings as well as attest to comply annually.

6.4.2 If any Employee breaches this Policy, the Employee will face disciplinary action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with an Employee if the Employee breaches this Policy.

6.5 Whistleblowing Policy

6.5.1 The Group encourages openness and transparency in its commitment to the highest standard of integrity and accountability. Hence, the Group expects the Employees and the Business Associates to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

6.5.2 If the Employees or the Business Associate suspect, or reasonably believe that another person subject to this Policy may have committed or may be about to commit any breach of any of his/ her terms and conditions of service, of his / her engagement, or of this Policy, or to violate the Group policies or procedures or applicable law, whether deliberately or through inadvertence, they (the Employees or Business Associates) have the obligation to report the concerns to the Group Compliance Office. The reporting channel under the Whistleblowing Policy is available at <http://www.hngcapital.com/>.

6.6 Non-Compliance and Sanctions

6.6.1 Group Compliance Office shall conduct regular validation to ensure compliance to this Policy. Such validation exercises may be conducted either independently by Group Compliance Office or in collaboration with external consultants.

6.6.2 Non-compliances identified by the independent review undertaken shall be reported to the Board of HNGC.

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