

**PBA HOLDINGS BHD.**

(Company No. 515119-U)  
(Incorporated in Malaysia)

**CODE OF CONDUCT AND ETHICS**

## **BOARD OF DIRECTORS**

### **CODE OF CONDUCT AND ETHICS**

#### **Introduction**

PBA Holdings Bhd (the "Company") had adopted the first set of the Code of Conduct and Ethics (the "Code") for the Directors, management and employees of the Company and its subsidiaries (the "Group") on 29 October 2013. In view of implementation of new regulations, such as Malaysian Code of Corporate Governance, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and other legislations, the following revised Code is binding throughout the Group to promote actions that follow ethical conduct to avoid any impropriety.

#### **Objectives**

This Code aims to provide guidance to all Employees of the Company on how and in which manner should the conduct of Officers be when they are undertaking business on behalf of the Company.

The Code is formulated with the intention of achieving the following aims: -

- 1) To articulate the high standard of honesty, integrity, ethics and law abiding behaviour within the Group;
- 2) To improve self-discipline in order to provide good quality services;
- 3) To ensure that all Officers are aware of their ethical obligations; and
- 4) To enhance the standard of corporate governance.

#### **Coverage**

This Code applies to all the Directors, management and employees of the Company. **Employee** shall mean all individuals on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment. All directors, management and employees of the Group shall be referred to as "Officers" hereon.

#### **Compliance with the Code**

Each Officer must comply with the following: -

##### **1. Conflict of Interest**

Each Officer is expected to avoid situations in which his or her financial or other personal interests or dealings are, or may be, in conflict with the interests of the Company. Accordingly, the Company expects its Officers to act in the Company's interest at all times.

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Officers must not use their positions or the knowledge gained as a result of their positions for private or personal advantage and shall avoid any business or other relationship that may create a conflict.

Conflict of interest occurs when an officer's private or personal interest interferes, or may appear to interfere, with the interests of the Group.

If a Conflict of Interest situation has occurred or if an employee faces a situation that may involve or lead to a Conflict of Interest, the employee shall immediately disclose it to his or her immediate superior and/or the Human Resource Division ("HR") or the Legal or Compliance Function to resolve the situation in a fair and transparent manner.

The following are examples of conflicts: -

- providing consulting services for or with or employment by a competitor, supplier, or customer of the Company;
- where the Employee or someone close to the Employee holds a substantial equity, debt, or other financial interest in any competitor, supplier, or customer of the Company;
- the Employee or someone close or nominee having a financial interest in any transaction involving the purchase or sale by the Company of any products, materials, equipment, services, or property, other than through Company-sponsored programs;
- other employment (including self- employment) or serving as an officer, director, partner or consultant of another organization interferes with your ability to perform your duties for the Company;
- engaging in activity or soliciting business from fellow employees and conducting activities for gain on the premises of the Company; or
- accepting any cash, gifts, entertainment, or benefits from any competitor, supplier, or customers which are more than the recognised custom of trade.

An Employee must therefore: -

- be able to identify a situation of potential conflict and avoid even the appearance of impropriety. Notify his immediate superior immediately when he finds himself in a position where his objectivity may be questioned
- notify his immediate superior and report all cash, gifts, entertainment or benefits received or offered to the Employee.
- notify his immediate superior and seek approval when any entity in which the Employee or close family member holds any equity interest

in seeks to do business with the Company (except in the case of public listed companies which are seeking to do business with the Company, the threshold of equity interest is 2% or more of the paid up capital of the public listed company).

- notify his immediate superior and seek approval when the Employee seeks to have any interest directly or indirectly or through nominees or trustees in any other business entity. (This however, does not preclude an Employee from purchasing shares for investment purposes only for publicly quoted companies).

## **2. Gift and hospitality**

No Officers shall receive or offer, directly or indirectly, any gift and business courtesies which are deemed excessive in nature or related to personal interest.

Officers must not accept entertainment, gifts, or personal favours that could, in any way, influence, or appear to influence, business decisions in favour of any person or organization with whom or with which the Company has, or is likely to have, business dealings. Similarly, Officers must not accept any other preferential treatment under these circumstances because their positions with the Company might be inclined to, or be perceived to, place them under obligation to return the preferential treatment.

## **3. Integrity and Professionalism**

All Officers should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on business.

The personal and professional behaviour of Officers shall confirm to the standards expected of persons in their positions, which includes: -

- A commitment to and adherence to professional standards in their work and in their interactions with other Employees of the Company;
- A commitment to maintaining the highest standards of integrity and honesty in their work;
- An adherence to ethical and legal standards to be maintained in business;
- A responsibility to support the Company in its efforts to create an open and mutually supportive environment;
- A responsibility to share information and give willing assistance in furthering the goals and objectives of the Company; and
- A responsibility to ensure that there is no misrepresentation of facts. Wherever a misunderstanding is thought to have taken place through unclear communications, this should be corrected promptly.

**4. Public Statements and Confidentiality**

Officers shall keep confidential all proprietary information of the Group and its client(s), which includes Company's performance, suppliers, business plans, commercial and human resource data, design and intellectual property of all forms.

Officers shall not make any public statements or communications on behalf of the Company unless expressly authorized to do so.

Officers shall not speak to the media or publish anything about the Group or its clients' business unless authorised.

In the event of making any personal views or observations publicly, make it clear that such views are individual personal views and no those of the Company.

**5. Protection and use of the Group's assets or property**

Assets should be managed and safeguarded in a manner which protects their values. All Officers of the Company are responsible for protecting and taking reasonable steps to prevent the theft or misuse of, or damage to Company's assets, including all kinds of physical assets, movable, immovable and tangible property, corporate information and intellectual property such as inventions, copyrights, patents, trademarks and technology and intellectual property used in carrying out their responsibilities. All Officers must use all equipment, tools, materials, supplies, and Officer time only for Company's legitimate business interests. Company's property must not be borrowed, loaned, or disposed of, except in accordance with appropriate Company's policies. All Officers must use and maintain Company's property and resources efficiently and with due care and diligence.

All Officers have an affirmative duty to immediately report theft, loss, or misappropriation of any assets. These obligations cover both tangible and intangible assets.

**6. Reporting illegal or non-compliant conduct**

Officers shall report any practices or actions believed to be inappropriate under the Code or even illegal to their immediate superior or the appropriate members of the HR or the Legal or Compliance function.

**7. Compliance with laws and regulations**

Besides the Code, Officers are also required to know and comply with any laws and regulations that are applicable to their working activities, including those set out in the Board Charter (applicable to Directors only) and Employee Handbook.

**8. Violation of the Code**

Officers must not use inside information, confidential material or non-public information for their own financial benefit either directly or indirectly. In addition to being a violation of law, Officers should report to supervisors, managers, HODs or Head of Human Resource about the known or suspected illegal or unethical behaviour. The Company's Executive Director(s) and senior management shall promptly report any known or suspected violations of the Code to the Board. All Officers shall refer to and adhere to the Whistle Blower Policies and Procedures.

**9. Consequences of non-compliance with the Code**

In case of breach of the Code by the Officers, the Company shall initiate appropriate action as deemed necessary.

The Audit and Risk Management Committee/HR shall be responsible for determining and implementing the appropriate disciplinary action for any violation of this Code of Ethics. Any violation of applicable law or any deviation from the standards embodied in this Code of Ethics may result in disciplinary action, ranging from a reprimand to dismissal or termination of employment.

Any exceptions to the norms laid down in this Code may be at the discretion of the Chief Executive Officer /Human Resource Division or any appropriate authority delegated by them.

**10. Amendments to the Code**

The provision of the Code may be modified by the Board of the Company from time to time in line with changes in law and the Company reserves the rights to change/ amend/ add/ delete/ modify this Code in whole or in part, at any time without assigning any reason whatsoever.

The Officers acknowledge that they will not be personally advised of any such change/ amendment/ addition/ deletion/ modification. The Officers are advised to check for any such change/ amendment/ addition/ deletion/ modification regularly. The Officers hereby unconditionally agree to all such changes/ amendments/ additions/ deletions/ modifications.