

CODE OF CONDUCT AND ETHICS

OBJECTIVES

The Code of Conduct and Ethics (“Code”) aims to:

- (a) Outline the standards of business conduct and ethical behaviour which the Directors, Management and employees should possess in discharging their duties and responsibilities; and
- (b) Enhance the high standards of personal integrity and professionalism of the Directors, Management and employees.

COMPLIANCE OF THE CODE

This Code applies to every Director, Management and employee of the Group. Contractors and consultants who are agents of, or working on behalf of, or in the name of the Group (through outsourcing of services, processes or any business activity), are required to act consistently with the Code when acting on behalf of the Group. Any breaches of the Code, including violations of laws, rules, regulations, and Company’s policies should be communicated to the right channel in a timely manner.

REVIEW OF THE CODE

The Code shall be reviewed by the Board at least once every year and may be amended as the Board may deem appropriate.

PRINCIPLES

The Code is based on the following principles:

- (a) Compliance with legal and regulatory requirements and Company’s policies;
- (b) Observance of the Board Charter (applicable to Directors only);
- (c) Duty to act in the best interest of the Company;
- (d) Honesty and integrity;
- (e) No conflict of interests;
- (f) No-profit rule; and
- (g) Relationship with stakeholders.

MANAGING RISK IN INFORMATION, COMMUNICATION AND ASSETS

1. CONFIDENTIALITY

- (a) Employees shall keep in confidence all the information, documents, and data of the Company, the Management and other employees;

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- (b) Employees shall not pass to any unauthorised person drawings, specifications, trade information such as prices, quantities, premiums, discounts, profitability, any financial information or any other information that can be reasonably considered as trade secrets or intellectual property of the Company;
- (c) Statement to the press and media shall only be made by those employees specifically authorised to do so.
- (d) Any breach of confidentiality will lead to disciplinary and legal action against the employee; and
- (e) Prior to leaving the employment for any reason, the employee shall return to the Company all documents, drawings, specification, information and data.

2. SECURITY

- (a) Employees shall take all necessary actions so that the security of the properties of other employees, customers and the Company is maintained; and
- (b) Employee shall not share their computer password with any other person. Breach of this rule can lead to considerable loss to the Company and legal/disciplinary actions shall be taken against the employees who share his/her password with any other person.

3. INSIDER TRADING

- (a) Employees must protect the confidential business information of the Company and its counterparties, and never use it for their own benefit or the benefit of other persons, especially not to trade in shares or other securities or to recommend or cause a third-party to do so;
- (b) Employees are required to abide by all applicable laws on insider dealing, which generally is when you trade in shares or other securities while in possession of material non-public information or when you share such information with someone else who then trades in those shares or other securities. In particular, you must not deal in the securities of the Group (or in other speculative dealings with regard to those securities) while in the possession of material non-public information. We expect all directors, employees, their respective families/households and others whose relationships with the Company give them access to such information to comply with these principles, along with other laws, regulations and policies concerning the handling of confidential information. “Material non-public information” is generally non-public information that a reasonable investor would consider important when deciding to buy or sell securities. The restrictions described here also apply to “price sensitive information” or other similar types of information in jurisdictions where the applicable insider trading laws make reference to those types of information; and
- (c) Employees are also required to abide by all applicable laws on securities market abuse, which involves spreading false information or engaging in activities designed to manipulate the market for publicly traded securities.

PREVENTION THE ABUSE OF POWER AND UNETHICAL PRACTICES

1. CORRUPTION

No employee shall accept gifts or hospitality of value over RM200 from a customer, supplier or any party dealing with the Company. In case of doubt, the director in charge should be consulted prior to accepting any such gifts. As a policy, acceptance of cash as a gratuity from a third person is forbidden and will lead to automatic dismissal.

2. CONFLICT OF INTEREST

No employee shall enter into any business transaction for or on behalf of the Company with any person who is a close relative or with any organisation where such a relative is the owner, proprietor, partner or a Director or any employee authorised by the organisation to transact business on its behalf. The employee concerned should disclose the relationship to the Director and obtain prior permission in case an exception has to be made due to exigencies of business. No employee shall receive any loan from any supplier, customer, agent or business associates of the company without specific prior approval of the company.

3. OTHER OFFICES OF PROFIT

No employee is permitted to hold any other office or profit or employment without specific prior approval of the Company while in service with the Company. Any departure from this, is liable to disciplinary action. Even when specific approval is given by the Company, the employee is not allowed to use Company's facilities for the purposes of other office or engagement.

4. MONEY LAUNDERING

- (a) Employees must conduct appropriate counterparty due diligence to understand the business and background of the Group's prospective business counterparties and to determine the origin and destination of money, property, and services. Employees must report to their Head of Department suspicious transactions or suspected incidents of money laundering or bribery. Employees should not try to investigate a case of money laundering or bribery yourself. The Head of Department, in consultation with the Board or Senior Management, generally will be responsible for decisions in this regard;
- (b) In this part, "money laundering" is generally defined as occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including the financing of terrorism. Offences covered by anti-money laundering legislation include prejudicing or obstructing an investigation and failing to report suspicious activity;
- (c) Employees may not knowingly deal with criminals or the proceeds of a crime; and
- (d) Employees may not establish bank, securities trading or similar accounts in the name of the Group or for the benefit of the Group without proper authorisation from the Finance Department.

WORKPLACE CULTURE AND ENVIRONMENT

1. CONDUCT

The employees are expected to conduct themselves while at work in a respectful and dignified way towards fellow employees. Use of abusive words and gestures or any other conduct personally offensive to fellow employees will not be allowed and the Company will take disciplinary action against such mis-demeanour.

In all matters or otherwise, the Company's policy does not discriminate on account of sex, caste, religion, origin of state, ethnic background or any physical handicap.

2. SEXUAL HARRASMENT

All employees shall conduct themselves with proper decorum when dealing with any person of opposite sex. Sexual harassment and sexual annoyance shall not be condoned under any circumstances. Offenders will be punished severely, including dismissal from the Company.

ADDITIONAL REFERENCES

1. THE BOARD CHARTER

The Board should always observe the Board Charter established. The Board Charter can be found on the Company's website at www.metrod.com.

2. THE PERSONAL DATA PROTECTION ACT 2010 ("PDPA")

The Company released a notice with regards to PDPA on 14th July 2015. The published notice can be found on the Company's website at www.metrod.com.

3. THE WHISTLE BLOWER POLICY

The published policy can be found on the Company's website at www.metrod.com.

CONCLUSION

The Board hopes you will refer to the Code and uphold the Code closely in your daily business practices and ensure you always make the right decision.