

**D'nonce Technology Bhd
Group of Companies**

CODE OF CONDUCT

1.0 Introduction

1.1 D'nonce Technology Berhad and its Group of Companies ("D'nonce") is committed to the principle of a strong work ethic to help the company achieve its goals. This work ethic sets the moral philosophy an employee in D'nonce uses in his/her job. The work ethic comprises five factors, namely:

- Integrity
- Sense of responsibility
- Emphasis on quality
- Discipline
- Sense of teamwork

1.2 All employees of D'nonce should adhere to this Code of Conduct, to ensure that the business of the company are dealt with in an open, fair and impartial manner. All employees of D'nonce should take cognizance of the fact that the company is accountable to its stakeholders, including the government, shareholders and all its members, in the conduct of its activities and business.

1.3 This Code of Conduct outlines a comprehensive standard of conduct expected of all employees irrespective of their position in the company, including temporary, part-time or contract employees of the Company.

2.0 Anti-Corruption Act, 1997

2.1 Under Part III, Section 11 (a) of the Anti-Corruption Act 1997, anyone who corruptly accepts, obtains or agrees to accept or attempts to obtain, from any person, for himself or for any other person, any gratification as an inducement or a reward for doing or forbearing to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favor or disfavor to any person in relation to its principal affairs or business.

2.2 The term "gratification" refers to

- a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, or any other similar advantage;
- b) Any office, dignity, employment, contract of employment or services, and any agreement to give employment or services, and any agreement to give employment or render services in any capacity;

- c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- e) Any forbearance to demand any money or money's worth or valuable thing;
- f) Any other service or favor of any description, such as protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty;
- g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

2.3 Acceptance of Gratifications

- 2.3.1 It is the policy of the company to prohibit all employees from soliciting any gratification from any persons having business dealings with the company (include suppliers, contractors, shareholders, and business partners). Employees who wish to accept any gratification from such persons should seek permission from their respective senior management including General Managers and heads of subsidiaries prior to acceptance. Proper records of the applications for permission and approvals should be kept by the Human Resource Department, showing the name of the applicant, the occasion of the offer, the nature and estimated value of the gift, whether permission has been granted and directions on how to dispose of the gift if permission is denied.
- 2.3.2 Any gifts offered voluntarily to the employees in their official capacity are regarded as gifts to the company and they should not be accepted without permission. Employees should decline the offer if the acceptance could affect their objectivity in conducting the company's business, or induce them to act against the interest of the company, or lead to perception or complaints of bias or impropriety.
- 2.3.3 For gifts which are presented to employees in their official capacity and of nominal value (below RM500), the refusal of which could be seen as unsociable or impolite (e.g. token of appreciation presented to an employee for speaking in a conference, etc.) the Management has given a blanket permission for the employees to accept the gifts. Please refer to **Appendix 1** on possible ways to dispose of the gifts.

2.3.4 There is no restriction on the acceptance of gratification, in the employee's private capacity, from any person who does not have any official dealings with the Company. In case of a doubt, the employee should refer to the matter to the Human Resource Department for advice and instruction before accepting such offer of gratification.

3.0 Misuse of Official Position

3.1 Employees who misuse their official position for personal gains or to favor their relatives or friends or to benefit their business connections are liable to disciplinary action by the company or even prosecution by the appropriate authorities. Examples of misuse include the following:

- An employee responsible for the selection of suppliers giving undue favor or leaking tender information to his own or his relative's company with a view to awarding the contract to the latter;
- An employee responsible for the selection of suppliers placing his own or his relative's company in an advantageous position ahead of other competitive bidders;
- An employee reserving tickets for popular events for relatives and friends without prior permission and without going through the proper ticket allocation procedures by the company;
- Unfair allocation of resources (e.g. machinery, raw material, venue, manpower) to other parties for personal gain.
- An employee who is given access to company's property and resources misappropriate or use the property or resources in an unauthorized manner, such as for personal use or personal gain.

4.0 Discipline in the Workplace

4.1 During the employment, an employee is expected to perform the duties assigned in a loyal, efficient, trustworthy and honest manner. Employees are also expected to conduct themselves in a manner befitting their status in the company.

4.2 During the employment, the employees will at all times faithfully and diligently perform and observe such duties as may from time to time be assigned by superior(s) and devote the whole of their time and attention to the discharge of the duties and functions entrusted to them and endeavor to the utmost of their ability to promote the interest of the company.

4.3 To maintain a safe and harmonious working environment, the Code of Conduct provides herewith a list of prohibited items and behavior (though not exhaustive), which are liable for disciplinary action to be taken against the offenders:

- Insubordination or refusal to comply with superior's (employer) instructions or purposely carry out the assignment in a dangerous manner, unless the

instructions are injurious to the employee's health and safety. (An act of insubordination refers to being disrespectful and defying authority.)

- Immoral or indecent conduct, including sexual harassment (please refer to Section 5.0 Code of Conduct on Sexual Harassment in the Workplace for details)
- Conviction of a felony.
- Violation of local, state or federal law which causes unfavorable publicity to the company, and impairs the credibility of the employee to perform his job.
- Intentional falsification of personal records.
- Theft, intentional destruction or defacing of company's property.
- Deliberate or careless conduct endangering the safety of self or other employees, including provocation or instigation of violence.
- Possession of firearms, explosive and inflammable items in the company's premises.
- Consumption or possession of alcoholic drinks or any other toxic items while on duty or in the company's premises, except at approved company's functions.
- Possession or consumption of illegal drugs or prohibited items and banned publications in the company's premises.
- Reporting for work in an unsafe condition, which includes but is not limited to, being under the influence of alcoholic beverages or drugs.
- Gambling or related activity within the company's premises or locations where activities and businesses of the company take place.
- Abusive, quarreling, threatening, coercive treatment of other employees, including causing injury, insulting or using offensive and vulgar language within the company's premises.
- Behaving in a dangerous manner at workplace.
- Give false information to obtain employment or Management's approval for personal benefits.
- Knowingly admitting an unauthorized person or persons into any locked or restricted building or area in the company's premises.

5.0 Code of Conduct on Sexual Harassment in the Workplace

5.1 Sexual harassment is defined as unwanted conduct of a sexual nature. The unwanted nature of sexual harassment distinguishes it from behaviour that is welcome and mutual. Sexual attention becomes sexual harassment if:

- The behavior is persisted in, although a single incident of harassment can constitute sexual harassment; and/or
- The recipient has made it clear that the behaviour is considered offensive; and/or
- The perpetrator should have known that the behaviour is regarded as unacceptable.

5.2 Sexual harassment may include unwelcome physical, verbal or non-verbal conduct, but is not limited to the examples listed as follows:

- Physical conduct of a sexual nature includes all unwanted physical contact, ranging from touching to sexual assault and rape, and includes a strip search by or in the presence of the opposite sex.
- Verbal forms of sexual harassment include unwelcome innuendoes, suggestions and hints, sexual advances, comments with sexual overtones, sex-related jokes or insults or unwelcome graphic comments about a person's body made in their presence or directed toward them, unwelcome and inappropriate enquiries about a person's sex life, and unwelcome whistling directed at a person or group of persons.
- Non-verbal forms of sexual harassment include unwelcome gestures, indecent exposure, and the unwelcome display of sexually explicit pictures and objects.
- Quid pro quo harassment occurs where an owner, employer, supervisor, member of Management or co-employee, undertakes or attempts to influence the process of employment, promotion, training, discipline, dismissal, salary increment or other benefit of an employee or job applicant, in exchange for sexual favours.

5.3 Sexual favouritism exists where a person who is in a position of authority rewards only those who respond to his/her sexual advances, whilst other deserving employees who do not submit themselves to any sexual advances are denied promotions, merit rating or salary increases.

5.4 A non-employee who is a victim of sexual harassment may lodge a grievance with the employer of the harasser where the harassment has taken place in the workplace or in the course of the harasser's employment.

5.5 Company's Policy Statement:

5.5.1 All employees, job applicants and other persons who have dealings with the business, will be treated with dignity.

5.5.2 Sexual harassment in the workplace will not be permitted or condoned.

5.5.3 Persons who have been subjected to sexual harassment in the workplace have a right to raise a grievance about it should it occur and appropriate action will be taken against the perpetrator.

5.5.4 Allegations of sexual harassment will be dealt with seriously, expeditiously, sensitively and confidentially.

5.5.5 Employees will be protected against victimization, retaliation for lodging grievances and from false accusations.

5.6 Filing a Sexual Harassment Complaint

- 5.6.1 An Employee should be under no duress to make the complaint by himself / herself to his / her own HR Department.
- 5.6.2 The Employee can lodge a complaint by himself / herself or through a friend with the Subsidiary HR Department; Corporate HR Department or Corporate Affairs Department.
- 5.6.3 The Department that receives the complaint, should carry out investigations and resolve the complaint expeditiously.
- 5.6.4 Care will be taken during the investigation that the aggrieved person is not at a disadvantage, and that the position of parties is not prejudiced if the grievance is found to be unwarranted.
- 5.6.5 This Code of Conduct provides that an Employee may be dismissed for serious misconduct or repeated offences. Serious incidents of sexual harassment of continued harassment after warnings are dismissible offences.
- 5.6.6 A victim of sexual assault has the right to press separate criminal and/or civil charges against an alleged perpetrator, and the legal rights of the victim are in no way limited by this code.
- 5.6.7 Should a complaint of alleged sexual harassment not satisfactorily resolved through the Company's internal procedures set above, either party may within 30 days of the dispute having arisen, refer the matter to the Ministry of Human Resource for conciliation in accordance with the provisions of Part XV_A Sexual Harassment of the Employment Act 1955, Malaysia.

5.7 Confidentiality

- 5.7.1 The Company and the Employees must ensure that the grievances about sexual harassment are investigated and handled with strictest confidentiality.
- 5.7.2 Only appropriated members of the Management as well as the aggrieved person, representative, alleged perpetrator, witnesses and interpreter must be present in the disciplinary enquiry.
- 5.7.3 The Management is required to disclose to either party or to their representatives, such information as may be reasonably necessary to enable the parties to prepare for any proceedings.

5.8 In cases of serious sexual harassment where the Employee on medical advice requires trauma counselling, the Management will give due consideration for the granting of additional sick leave if the Employee's existing sick leave entitlement has been exhausted.

6.0 Conflict of Interest

6.1 A conflict of interest situation arises when the "private interests" of the Employee compete or conflict with the interests of the Company. "Private interests" refers to both financial and personal interests of the Employee or those of their connections, including:

- Family and other relations;
- Personal friends;
- Other companies or business interest which the Employee holds or owns (both in part or in whole);
- Other clubs and societies to which the Employee belongs;
- Any person to whom the Employee owes a favor or is obliged in any way.

6.2 Employees should avoid using their official position or any information made available to them in the course of their duties for the Company to benefit themselves, their relations or any other persons with whom they have personal or social ties, or business connections. Employees should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest with the Company. Failure to avoid or declare any conflict of interest may give rise to criticism or favoritism, abuse of authority or even allegations of corruption, which are to the corporate disgrace of the Company.

6.3 Employees involved in the procurement process should declare conflict of interest if they are closely related to, or have or will likely be perceived to have, beneficial interest in any company which is considering submission of quotation / tender to the Company or is being considered for selection as the Company's supplier of goods or services. **Appendix 2** shows some examples of conflict of interest situations which may be encountered and should be avoided by Employees.

6.4 An employee shall not conduct any business other than the Company business during office hours and shall not be involved in any business activities outside the Company that will affect an employee's work performance.

6.5 An employee shall not indulge or participate in similar business activities as the Company or join a competitor within a two-year period after leaving or resigning from the Company.

- 6.6 Employees who wish to take up paid outside work, including those on a part-time basis, must inform and seek the written approval of the Company before accepting the job. Outside work will not be approved if it is in conflict with the official responsibilities of the Employee. Application for approval should be submitted to the Human Resource Department, to be vetted by the immediate superior of the Employee and approved by the respective General Manager.
- 6.7 Employees should make a declaration in writing to his/her respective General Manager, when called upon to deal with matters of the Company for which there is an actual or perceived conflict of interest.

7.0 Handling of Classified or Proprietary Information

- 7.1 Employees and Directors are not allowed to disclose any classified or proprietary information entrusted to them, to anybody without prior authorization by the Company or legally mandated. Classified and proprietary information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, or is price-sensitive and will have an effect on the market price of the Company when it becomes publicly known. It also includes information that suppliers and customers have entrusted to the Group. The obligation to preserve classified and proprietary information continues even after employment ends.
- 7.2 Employees who have access to or are in control of such information should at all times provide adequate safeguards to prevent its abuse or misuse. Misuse of information include the disclosure of information in return of monetary rewards, or use of information for personal interest or business benefit. Unauthorized disclosure of any personal data may result in a breach of the Personal Data Protection Act Malaysia 2010.
- 7.3 As a condition of employment, the Company may require an Employee to sign a specific undertaking relating to the confidentiality of an Employee's work in the Company in the form of Letter of Undertaking or Non Disclosure of Confidential Information.
- 7.4 Except with the permission of the Company, an Employee shall not make any unauthorized public statement nor shall he circulate, divulge or communicate with any customer, member of the public, media or Government departments on the policies or decision of the Company on any issue, or any other information or details in respect of the Company's business.
- 7.5 Personal records and remuneration including the employee's own remuneration are classified as Private and Confidential Information and shall not be divulged.

8.0 Timely and Truthful Public Disclosure

- 8.1 Employees involved in the preparation of reports and documents filed with or submitted to Bursa Malaysia Securities Berhad (Bursa) and the Securities Commission and other government regulatory bodies, and the Directors involved in reviewing and approving such reports, shall ensure that the reports are complete, fair, accurate, timely and understandable.
- 8.2 Employees and Directors shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company's independent public auditors, investors or the public.

9.0 Health and safety

- 9.1 The Company will use its best endeavors to ensure a safe workplace and maintain proper occupational health and safety standards to commensurate with the nature of the Company's businesses and activities. Such a commitment requires that all Employees understand and abide by the Company's policies and procedures.

10.0 Compliance with the Code

- 10.1 It is the responsibility of every Employee to understand and comply with the Code of Conduct by conscientiously avoiding any non-compliance, which include conflict of interest, and making declaration and seeking prior permission from the Company in accordance with the Code in any case of exception.
- 10.2 The Management will ensure that the Employees understand and comply with the standards and requirements stated in the Code. All problems and suggestions should be channeled to the respective General Managers for considerations and advice.
- 10.3 Any Employee who violates any provision of the Code will be subjected to disciplinary action, or termination of employment where warranted. In cases of suspected corruption or other criminal offences, a report will be made to the Malaysian Anti-Corruption Commission (MACC) or the appropriate authorities.

Appendix 1: Ways to dispose of gifts presented to an Employee in his personal capacity

- If the gift is of perishable nature, it may be shared among colleagues in the office or during an activity organized by the Company
- If the gift is of historical or other interest, it may be donated to a library or museum, or put up for display in the office.
- If the gift is suitable for display (painting, plaque, vase, etc.) it may be retained for display in the office, noticeable in the Company's premises
- If the gift is of low value (below RM500) it may be donated to the Company's social function as a lucky draw prize.
- If the gift is a personal item of low value (below RM500), it may be retained by the recipient after approval by the Company

Appendix 2: Examples of Conflict of Interest Situations

- An Employee takes part in the selection of suppliers or contractors, and one of the bidders under consideration is his relative or close personal friend;
- An Employee has a financial interest in a company which is being considered for selection as the Company's supplier of goods or services, or is an existing supplier;
- An Employee acquires dealership of goods and services on insider knowledge that such goods or services are being considered for procurement by the Company;
- An Employee selects a venue where his relative or close personal friend has management responsibility;
- An Employee accepts frequent or lavish entertainment or expensive gifts from the Company's suppliers or contractors;
- An Employee hires a relative or staff member, or is considering the promotion of such a person;
- An Employee nominates a relative as office-bearer;
- An Employee vetting applications for program sponsorship submitted by a community club of which he is also a committee member.