



CODE OF BUSINESS ETHICS

Contents

PREAMBLE.....	4
OBJECTIVE OF THE CODE.....	4
RESPONSIBILITY AND ACCOUNTABILITY.....	4
I. THE GROUP	5
(A) SAFE WORK ENVIRONMENT.....	5
(i) Safe and conducive work environment.....	5
(ii) Employees' obligations	5
(B) ASSET AND PROPERTY	5
(i) Employees' responsibilities.....	5
(ii) Group vehicles and petrol card.....	6
(iii) Internet access and software.....	6
(C) INFORMATION.....	7
(i) Confidential and proprietary information	7
(ii) Employees' obligations	7
(iii) Information to be protected.....	7
(iv) Recording and storing of information.....	8
(D) TIME	8
(i) Punctuality	8
(ii) Absence with permission	8
II. CUSTOMERS.....	9
(A) INTERNAL CUSTOMERS	9
(i) Relationship with colleagues	9
(ii) Employees' responsibility	9
(B) EXTERNAL CUSTOMERS	9
(i) Integrity and professionalism	9
(ii) Relationship with customers	10
III. VENDORS, SUPPLIERS/CONTRACTORS.....	10
(A) DOING BUSINESS WITH OTHERS	10
(i) Legal & ethical business deals	10
(ii) Conflict of interest	10
(B) GIVING AND RECEIVING GIFTS	11
(i) Guiding principles	11
(ii) Employees' obligations	11
(C) PURCHASING AND PROCUREMENT PRACTICE	11
(i) Group's best interest	11

(ii) Commitment on behalf of the Group	12
(iii) Commitment by resignees and consultants	12
(iv) Cash and company monies	12
IV. OTHER EXTERNAL PARTIES	13
(A) SAFEGUARDING OUR REPUTATION.....	13
(i) Establishing business relationships.....	13
(ii) Maintaining ethical practices.....	13
(iii) Product and services endorsement	13
(B) GOVERNMENT AGENCIES.....	13
(i) Dealings with government officials and contracts	13
(ii) Offers and unlawful payments	14
(C) COMPETITORS	14
(i) Competitors' proprietary information, trade secrets, etc.....	14
(ii) Maintaining ethical practices in a competitive environment.....	14
(D) MEDIA.....	14
(i) Third parties' queries.....	14
(E) POLITICAL PARTIES, NON-GOVERNMENTAL ORGANIZATIONS (NGOs) AND NON-PROFIT ORGANIZATIONS (NPOs)	15
(i) Contributions to political parties	15
(ii) Contributions to NGOs and NPOs.....	15
V. BREACH OF CODE.....	15
Appendix A: Declaration by Director	17
Appendix B: Declaration by Employee.....	18

PREAMBLE

As a leading Malaysian company, Malaysian Resources Corporation Berhad (“Company”) desires to maintain a reputation for integrity that is in keeping with its responsibilities and position. In accordance with this objective, it requires all Directors and employees to observe the highest ethical business standard of honesty and integrity, and to apply these values to all aspects of its business and professional practices.

The Company accepts that it is not possible to draw a specific definition for universal application of this Code, and it acknowledges that situations may arise which appear ambiguous and difficult to interpret. The onus is on all parties to approach each situation with a conscience.

The Code applies to all Directors and employees of the Company and its subsidiary companies (“Group”).

OBJECTIVE OF THE CODE

The Code of Business Ethics (“Code”) shall serve as a guide and reference to assist Directors and employees to live up to high ethical business standards. It provides guidance on the conduct of business and their duties, in a manner that is efficient, effective and fair.

The Code highlights key issues and identifies the relevant policies and procedures and resources to conduct business and our duties in line with the Group’s standards. It is not a comprehensive manual and thus, advice should be sought from the Integrity & Discipline Department if there are any doubts with regards to any business practices.

RESPONSIBILITY AND ACCOUNTABILITY

Directors and Employees are expected to:

1. Understand and comply with the Code;
2. Ensure subordinates understand and comply with the Code;
3. Exercise proper care and judgment;
4. Act in the best interests of the Group and protect its reputation.

I. THE GROUP

(A) SAFE WORK ENVIRONMENT

(i) Safe and conducive work environment

- (a) It is the policy of the Group to assure that business activities are conducted with full concern for safety in order to protect the safety and health of its employees, suppliers, sub-contractors, communities in the vicinity of its operations, and the general public.
- (b) The Group is committed to providing a safe and conducive work environment, as well as appropriate safety and health training, and requires strict adherence to safety rules and procedures.
- (c) The Group will provide qualified safety and health personnel and appropriate equipment and resources to meet these objectives and goals.

(ii) Employees' obligations

- (a) It is the responsibility of each employee of the Group to promote safe behaviour, and to immediately report any accident, injury, and unsafe equipment, practice or condition to a supervisor or other designated person. All employees must report for work free from the influence of any substance that could prevent them from conducting work activities safely and effectively. Threats or acts of violence, or physical threats on fellow employees are prohibited.
- (b) All rules and regulations on safety matters must be adhered to. Cases of non-compliance must be reported to the relevant safety personnel for further action.
- (c) All employees are to use common sense and best judgment to ensure safety.

(B) ASSET AND PROPERTY

(i) Employees' responsibilities

- (a) All Group assets and property assigned to staff must be protected from loss, damage, misuse, illegal use and theft.
- (b) All Group assets and property are meant to be used only for business purposes. Usage for personal reasons is strictly prohibited.
- (c) All Group assets must be returned to the respective departments when they are no longer needed for business purposes.

(ii) Group vehicles and petrol card

- (a) Authorised employees assigned to drive the Group's vehicles must ensure the usage is for official work purposes only. Personal usage is strictly prohibited.
- (b) Petrol cards assigned to vehicles of the Group are not to be shared with other vehicles or individuals, and are meant for purchasing fuel for the designated vehicle only.

(iii) Internet access and software

- (a) Internet access is provided for business purposes, which includes any research work related to the user's field of work.
- (b) The Group reserves the right to revoke the user's internet access if the user is found to abuse these facilities by using the same for purposes outside the scope of work.
- (c) Materials from the internet that are or could be perceived as being offensive from religious, political, racial or gender perspectives are classified as objectionable materials. These include materials that have the potential to incite hatred or ill feelings against any person. Objectionable materials also include pornography, gambling and insensitive religious, sexist, political and racist content. Objectionable materials must not be transmitted or downloaded. Such activities are considered to be a serious breach of this Code.
- (d) All employees are not permitted to participate in any "chain letters", "flaming" personal attacks and other non-professional conduct. This includes any other activity that involves broadcasting or forwarding unnecessary and irrelevant e-mail contents.
- (e) Only software that is developed by the Group, or is licensed or provided by the developer to the Group may be used.
- (f) All employees are forbidden from doing the following:-
 1. Duplicating copyrighted materials;
 2. Copying software from one machine to another without the owner's documented authority;
 3. Copying the Group's proprietary software for use in computers that do not belong to the Group, or for any purpose not authorized by the Group;
 4. Installing unauthorized software (this is to prevent computer viruses from infecting the system);
 5. Installing any software, without getting the Head of IT's written permission.

(C) INFORMATION

(i) Confidential and proprietary information

- (a) Confidential and proprietary information includes: -
 1. Any information that is not generally known to the public and is helpful to the Group or would be helpful to competitors;
 2. Information that suppliers and customers have entrusted to us;
 3. Technical information, data, drawings, know-how and information relating to business, marketing strategies, financial condition and operations of the Group, in any form.

(ii) Employees' obligations

- (a) Employees shall not disclose information about the Group to unauthorized people or use the information for personal gain.
- (b) Every employee is expected to exercise sound judgment in seeking clarification or proper authorization prior to disseminating confidential, proprietary or sensitive information.

(iii) Information to be protected

- (a) All confidential and proprietary information (defined above) including those concerning securities, financial condition, earnings or activities of the Group, and information that is particularly sensitive which include knowledge of acquisitions and divestiture, new products or process, audit reports and earning figures and trends must remain confidential until it is fully and properly disclosed to the public.
- (b) All Group corporate, customers' and employees' information is strictly private and confidential, and must be treated as such at all times. It must not be disclosed to anybody without proper authorization. There shall be no release of such information through the internet or any other means of information dissemination without proper authorisation.
- (c) The Group's policy is to recognize fully and respect the legal rights of others on matters involving the ownership, use and disclosure of Intellectual property. This includes the avoidance of any act which would result in the improper use of any trademark or service mark belonging to another party. It also includes the avoidance of any act which would result in the unauthorized use or appropriation of any design, formulation or product that is covered by valid patent belonging to another party.
- (d) The obligation to preserve confidential and proprietary information continues even after your employment ends.

(iv) Recording and storing of information

- (a) All books, records and accounts are to be kept in a complete and accurate manner.
 - 1. There can be no "special funds" or other accounts representing Group assets, which are "off-the books" or otherwise maintained outside the Group's normal financial accounts.
 - 2. Employee expense account reimbursements are to be only for proper and authorized business expenditure accurately described in such accounts.
 - 3. No customers or suppliers are to be "over-invoiced" to create funds for any unlawful or improper use.
 - 4. Discounts and rebates to customers must reflect true commercial transactions and should not be intended to serve any illegal or improper purpose.
 - 5. Fees and commissions to consultants, agents and other third parties must be legal, proper and reasonable in relation to customary commercial practice.
- (b) Storage media containing confidential data or licensed or copyrights software, must not be taken off-site by employees and contractors, without consent and authorization from the owner or the employee's immediate supervisor.

(D) TIME

(i) Punctuality

- (a) Employees must be punctual in regards to working hours, attending meetings, conferences, training and appointments; both in-house as well as with external customers.
- (b) Employees must be at their assigned workstation, and be ready to work at the beginning of their daily working hours. They are also expected to remain at the workplace until the end of their assigned work hours, except for approved breaks and outside appointments.

(ii) Absence with permission

- (a) An employee needs to obtain prior approval from the immediate supervisor if the employee has to leave the workplace to attend to any urgent personal matters during work hours.

II. CUSTOMERS

(A) INTERNAL CUSTOMERS

(i) Relationship with colleagues

- (a) The Group believes that the internal customer is as important as external customers. As such, employees shall conduct themselves in a professional manner and in the best interest of the Group, and demonstrate the highest regard for one another, and shall treat each other with respect, avoiding any language or behaviour that intimidates or offends others in any dealings with them.
- (b) Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial, cultural, religious, sexual or ethnic characteristics, and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

(ii) Employees' responsibility

- (a) Employees shall be responsible for fostering an atmosphere that promotes good relations between one another.
- (b) Managers are to direct and manage their subordinates in the most effective and efficient manner, and make fair decisions without discrimination based on guidelines and policies provided by the Group. Discrimination against any individual or group because of race, religion, gender or disability is unacceptable and not allowed. Employees shall not use their position, or other advantage they may have, such as seniority or physical size, to harass or intimidate others.

(B) EXTERNAL CUSTOMERS

(i) Integrity and professionalism

- (a) The Group builds long-term relationships with its customers by demonstrating honesty and integrity.
- (b) All marketing and advertising materials shall be accurate and truthful in content. Deliberately misleading messages or omissions of important facts are prohibited.
- (c) To maintain the Group's valuable reputation, compliance with its quality processes and safety requirements is essential. The Group strives to provide the best products and services that meet customers' expectations.

(ii) Relationship with customers

- (a) The highest ethical standard must be demonstrated in satisfying customers' needs.
- (b) Customers' information is to be kept and maintained securely and with the highest confidentiality.
- (c) It is essential to maintain customers' self-esteem by employing the highest business standard when interacting with them face-to-face, through correspondences, and over the telephone.

III. VENDORS, SUPPLIERS/CONTRACTORS

(A) DOING BUSINESS WITH OTHERS

(i) Legal & ethical business deals

- (a) Business decisions and actions must be based on the best interests of the Group, and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, competitors or regulators must not affect independent and sound judgment.
- (b) The Group's employees (either permanent or on contract) who are employed on a full-time basis are not allowed to work for, or receive payment for services from any competitors, customers, distributors or suppliers of the Group, without the prior written approval of management.
- (c) Bribes, gifts, facilitation payments and kickbacks are strictly prohibited.

(ii) Conflict of interest

- (a) In general, a conflict of interest is a situation in which a person is in a position to derive personal benefits, either directly or indirectly, from actions or decisions made in their official capacity.
- (b) Directors and employees are expected to act in the best interests of the Group. Where there is a potential conflict of interest, the Director or employee should disqualify him/herself from participating in the decision-making process. Any conflict of interest situation must be declared.

(B) GIVING AND RECEIVING GIFTS

(i) Guiding principles

- (a) All Directors and employees are prohibited from directly or indirectly, receiving or providing any gifts, kickbacks or guarantees, in any form, that may compromise their judgment and decision making.
- (b) Providing gifts, loans or other benefits to a customer (or customer's representative) or potential customer, to get sales or beneficial arrangements from the customer are also not allowed.
- (c) Directors and employees should neither ask for, nor accept, any gifts on behalf of the Group, even for legitimate purposes such as training or sponsorship of any sporting or welfare events.

(ii) Employees' obligations

- (a) In principle, employees should not accept gifts from any vendors, any suppliers, any contractors, any customers, and other third parties, which may influence, or be perceived to be able to influence decision-making. Decision-making should be objective, based purely on merit, and should benefit the Group. Decision-making should never be based on personal interest.
- (b) Employees are required to comply with the Group's No Gift Policy, as gifts can be viewed as a bribe that may tarnish the Group's reputation and be in violation of anti-bribery and corruption laws.

(C) PURCHASING AND PROCUREMENT PRACTICE

(i) Group's best interest

- (a) Purchasing decisions must be made based solely on the Group's best interest with proper documentation, and clearly identifying the services or products to be provided, the basis for earning payment, and the applicable rate or fee. The amount of payment must be commensurate with the services or products provided.
- (b) All employees involved in procurement must comply with sound procurement practices as follows:
 - 1. All vendors are to be treated equally and all are supplied with the same information at the same time;
 - 2. Ensuring that no information leaks during the procurement process;
 - 3. No conflict of interest through relationships, to ensure no favouritism amongst vendors. Any conflicts of interest (or potential thereof) through relationships or friendships with people in other companies invited by the

Group to tender for any project must be declared. In situations where there is evidence or suspicion of improper behaviour during the tender process or after its award, it must be reported to Integrity & Discipline Department;

4. In any bid, there should be more than one bidder, and as a rule at least 3 quotations/bids should be procured;
5. Transparency, which ensures that the procurement process is auditable and justifiable, and can stand up to scrutiny;
6. More than one employee is involved, to ensure proper checks and balances; and
7. Getting the best deal for the Group.

(ii) Commitment on behalf of the Group

- (a) Any monetary commitment entered into on behalf of the Group must be done in accordance with the established Limits of Authority.
- (b) All Directors and employees must comply with the Limits of Authority and be aware that management will view any violation of authority seriously, and any non-compliance will result in severe disciplinary action.
- (c) No employee is permitted to break down the total value of commitment i.e. purchase or contract, into smaller values in order to avoid approval by higher approving authority.

(iii) Commitment by resignees and consultants

- (a) An employee who has given notice to resign and is serving the notice period, is not allowed to make any commitment on behalf of the Group.
- (b) No consultant (i.e. a party not in full-time employment of the Group) is permitted to make or approve any commitment on behalf of the Group.

(iv) Cash and company monies

- (a) Employees shall follow all instructions on how to handle cash and other company funds that they are responsible for. Employees shall also maintain tight control over the funds they are responsible for, and report any non-compliance immediately to their HOD or appropriate authority within the Group.
- (b) The Group's financial records will conform to generally accepted accounting principles. There must be no undisclosed or unrecorded funds or assets.

IV. OTHER EXTERNAL PARTIES

(A) SAFEGUARDING OUR REPUTATION

(i) Establishing business relationships

- (a) The Group will not conduct business with parties who are likely to harm its reputation.
- (b) The Group will also avoid conducting business with parties who intentionally and continually violate the law. All arrangements with third parties must conform and comply with Group policies and the law.
- (c) The Group will not use a third party to perform any act prohibited by law or the Group's Code of Business Ethics.

(ii) Maintaining ethical practices

- (a) Payments to third parties to secure sales or obtain favourable terms or treatment shall not be made.
- (b) Gifts to third parties are prohibited since they may be construed as attempts to influence their decisions.
- (c) Assistance or entertainment given to third parties must be reasonable and stand up to external scrutiny, and should not compromise or even appear to compromise their integrity.

(iii) Product and services endorsement

- (a) Employees are not allowed to endorse products and services of a third party without prior approval from the Group.

(B) GOVERNMENT AGENCIES

(i) Dealings with government officials and contracts

- (a) Directors and employees involved in business deals and contracts with government departments must comply with applicable laws and regulations.
- (b) Directors and employees are expected to co-operate with reasonable requests for information from government agencies and regulators, and to consult with relevant departments of the Group before responding to any non-routine requests. All information provided must be correct and accurate. Documents or records must not be altered or destroyed in response to an investigation or other lawful request.

(ii) Offers and unlawful payments

- (a) All payments made to Government departments or statutory bodies must be as per applicable law and regulations.
- (b) This requirement applies both to the Group and its agents, such as service agents and dealers, irrespective of geographical location.

(C) COMPETITORS

(i) Competitors' proprietary information, trade secrets, etc.

- (a) All information on competitors must be obtained with the owner's consent and from legal sources.
- (b) If information is obtained by mistake, that may constitute a trade secret or confidential information of another business, or if there are questions about the legality of the information gathering, the Legal Department should be consulted immediately.

(ii) Maintaining ethical practices in a competitive environment

- (a) Any illegal or unethical methods used to gain a competitive advantage (including obtaining information about competitors) must never be used.
- (b) The Group's products and services shall be sold fairly and honestly.
- (c) Tactics that unfairly undermine the products of competitors (in advertisements, demonstrations or by disparaging comments or innuendoes) must not be used.
- (d) Comparative advertising may only be used when comparing the Group's products against a competitors' own statements about their products.

(D) MEDIA

(i) Third parties' queries

- (a) To ensure professional and consistent responses, requests from the media should be forwarded to the Corporate Communications Department.
- (b) Requests from financial analysts and shareholders should also be referred to the Investor Relations Department.

(E) POLITICAL PARTIES, NON-GOVERNMENTAL ORGANIZATIONS (NGOs) AND NON-PROFIT ORGANIZATIONS (NPOs)

(i) Contributions to political parties

- (a) No employee may propose that a political contribution be made on behalf of the Group without prior determination that such a contribution is lawful, and no such proposal may be acted upon without the express approval or concurrence of the Board of Directors.
- (b) No political contributions utilizing the Group's funds or other resources are permitted to be made, directly or indirectly, to any political candidate or any political party except where such contributions are permitted by law and express permission has been given by the Board of Directors.

(ii) Contributions to NGOs and NPOs

- (a) Any contributions to be made on behalf of the Group to NGOs and NPOs must have prior written approval from the ED, irrespective of the nature and amount.
- (b) Personal involvement in such organizations has to be done at the employees' own expense and time. Employees are prohibited to be involved in such organisations' activities during work hours.

V. BREACH OF CODE

- (a) All established rules and practices in this Code of Business Ethics must be followed. The Group will hold all Directors and employees accountable in ensuring observation of the highest ethical business standard and to apply these values in all aspects.
- (b) A breach of the Code will be construed as misconduct and may be subjected to disciplinary action.

Obligations of an Employee

All employees are obligated to comply with all applicable laws and regulations. Any alleged improper conduct and practices and compliance concerns may be disclosed using the channels set out in the Whistleblowing Policy without fear of retaliation.

Questions on the Code

If employees have any questions about this Code of Business Ethics, the first point of contact should be their immediate supervisor or manager. The immediate supervisor or manager will be able to engage in discussions with the employee about the Code, and advise the employee accordingly. Alternatively, employees may seek the advice of the Integrity & Discipline Department when in doubt.



CODE OF BUSINESS ETHICS

DECLARATION BY DIRECTOR

I,

Identity Card No., hereby confirm that I have read the Code of Business Ethics and agree to observe and adhere to it. I shall conduct myself with complete integrity and be true to the spirit of the Code of Business Ethics in the daily execution of my duties and assignments as a member of the Board of Directors of Malaysian Resources Corporation Berhad or its subsidiaries.

I acknowledge that failure to abide by this Code of Business Ethics will lead to appropriate action being taken against me.

.....

(Signature)

Name:

Date:

Appendix B: Declaration by Employee



CODE OF BUSINESS ETHICS

DECLARATION BY EMPLOYEE

I,

NRIC No., hereby confirm that I have read the Code of Business Ethics and agree to observe and adhere to it. I will act in accordance with the Code of Business Ethics in the course of my daily duties and responsibilities as an employee of Malaysian Resources Corporation Berhad or its subsidiaries.

I acknowledge that failure to comply with the Code of Business Ethics will lead to disciplinary action taken against me.

Signature : _____

Date : _____

Note: Kindly read the Code of Business Ethics which is available in the Group's SharePoint Portal. Please ensure that all details are properly filled-in before submitting this form to the Human Resources Department within one (1) week of commencement date.