



CODE OF CONDUCT AND ETHICS

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1. INTRODUCTION

The Board of Directors (“Board”) and EUPE Corporation Berhad (“Eupe” or “the Company”) is committed to good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness throughout the Company. The Board, through the Code of Conduct and Ethics (“Code” or “Code of Conduct”) sets the tone and governance standards for the Company. It is the duty and responsibility of all Directors, management staff and other stakeholders to stay guided by the policies and procedures under the Code and are clear on what is considered acceptable behaviour and practices of the Company. The Company’s ultimate goal is to achieve its business objectives for the benefit of all stakeholders including its shareholders and the society.

2. DEFINITIONS

Business Ethics are the qualities of virtue, truth, justice and righteousness that business conduct should follow.

Code of Conduct is a code of behaviour to be followed to maintain and promote dignity and reputation.

References to “you” in this Code refer to any person to whom this Code applies. Where more specific references are used (such as “employee”), the more specific reference is intended.

3. POLICIES AND PRACTICES

These policies and practices establish a set of basic principles to guide Directors, management and staffs’ conduct. Some of the principles covered in this policy are set forth in greater detail in separate Company policies.

3.1 Policy on Compliance with the Law and Relevant Rules and Regulations

The Company is committed to complying with all relevant laws, rules and regulations everywhere it operates and has established the policies as follows:

- 3.1.1 Directors, management and staff must comply with local laws, rules, regulations as well as customs and traditions of the country in which the Company operates.
- 3.1.2 Directors, management and staff must comply with the directives and rules of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and the Securities Commission Malaysia.
- 3.1.3 Directors, management and staff must comply with the Company’s rules and policies.
- 3.1.4 Directors, management and staff must not assist, support or conspire to avoid any legal or regulatory compliance.
- 3.1.5 Directors, management and staff must cooperate with regulatory agencies as well as report information on violation of or non-compliance with existing laws or regulations to concerned persons.

3.2 Policy on Conflict of Interests

3.2.1 The Company has established a policy on conflict of interests and related transactions for Directors, management and staff as follows:

- a. Avoid any transaction related to oneself, which may lead to a conflict of interest situation with the Company.
- b. If it is necessary to carry out such transaction for the Company's benefit, conduct it as if it is a transaction done with a third party. However, any such transaction must be fully disclosed and approved by the relevant authority within the Company in advance. Furthermore, Directors and management or staff having an interest in a transaction must not be involved in its approval process.
- c. If a transaction is considered as a related party transaction under the Bursa Malaysia's requirements, Director, management and staff must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.
- d. If a Director, management, staff or a member of their family is involved with or becomes a shareholder in a business in competition with the Company or any other business that may cause a conflict of interest with the Company, he/she must inform the Board in writing.
- e. If a Director, management and staff becomes a Director, partner, advisor or participant in any other capacity in another company or business organization, such position must not conflict with the Company's business or that person's direct responsibilities in the Company.

3.2.2 It is not always easy to know whether any particular conduct constitutes a conflict of interest. Common sense and good judgement will dictate the proper course of action in most situations. However, if there is the slightest question in your mind about the possibility of a conflict, please discuss the matter with your immediate superior. Should you believe that to be inappropriate under the circumstances, then consult the Company's Managing Director or the Risk Management and Audit Committee ("RMAC") Chairman. You shall give the Company your fullest cooperation in the correction of any situation in which a conflict of interest exists or may arise.

3.2.3 The Company transactions involving:-

- (i) any person who, is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company;
- (ii) any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;



- (iii) any immediate family member of any of the foregoing persons;
or
- (iv) any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or more of beneficial ownership interest, must be approved in advance by RMAC. For purposes of this section, “immediate family member” includes spouse, parent, child including an adopted child and step-child, brother or sister; and spouse of child, brother or sister.

3.2.4 The management and the staff may be guided by Eupe’s Conflict of Interest Policy.

3.3 Policy on Confidentiality of Information

3.3.1 Confidential information may be considered as “insider information.

3.3.2 Insider information is material information about a corporation which is generally not available to the public. Material information is information of such importance that it can be expected to affect the judgment of investors as to whether to buy, sell or hold Eupe’s securities.

3.3.3 The Directors, management and staff of Eupe are advised to focus on confidential information especially internal information not yet disclosed to public or any data or information that may affect the business of the Company or its share price.

The guidelines are as follows:

- a. Directors, management and staff must not use information they receive from their directorships or employment for personal benefit or for conducting business or other activities in competition with the Company.
- b. Directors, management and staff must not use information which is not generally known and which may influence the share price (inside information) and must refrain from dealing in the shares of the Company at sensitive times pending major announcements in accordance with the specific policy laid down from time to time specifying the moratorium on share trading during certain periods. Insider information shall also not be given to any third party for the purpose of dealing in the shares of the Company.
- c. Directors, management and staff must not disclose business secrets to any third party especially to competitors even after a Director, management or staff member has left the Company.



3.3.4 The information which is likely to be material, and is not exhaustive are as follows:

- Dividend
- Earning
- Significant write-downs of assets or trade receivables
- Expansion or curtailment of operations
- Corporate proposals or agreements relating to merger, acquisition, divestment, or other major corporate exercises such as rights issue or bonus issue
- New products or discoveries
- Material litigation
- Liquidity problems

3.3.5 Any questions as to whether information is material and not to be made public should be resolved through consultation with the Board.

3.3.6 If you work in certain areas of the Company, which by virtue of specific activities may provide more access to insider information than other areas, you will be subject to additional restrictions relating to such information.

3.4 Policy on safeguarding Company Property

3.4.1 The Company expects executives and staff to utilise the Company's resources and assets in a most efficient manner, to increase corporate competitiveness and to provide the best possible service to its customers in accordance with the following guidelines:

- a. Management and staff should use the Company's resources and assets in a cost-efficient manner for maximum benefit of the Company.
- b. Management and staff should help protect the Company's properties and assets from improper depreciation or loss.
- c. Provide and follow proper preventive systems and procedures and effectively insure the same against any fire, natural calamities, burglary and other risk or damage.

3.4.2 Anytime staff wishes to use a Company's asset for personal use, he/she must first obtain approval from the site Operations Manager or the Manager's designee.

3.5 Company Funds and Business Records

3.5.1 Proper care should be taken to assure that all business records of the Company are prepared and maintained in an accurate and reliable manner and in compliance with all laws and regulations. These records are of great importance to the Company in meeting its financial, legal and management obligations.

- 3.5.2 To ensure proper accounting, employees should comply with generally accepted accounting principles and with all policies, procedures and controls established by Eupe. The books of account and economic evaluations for projects should be made as appropriate. All assets of the Company should be recorded on the books of the Company. All reimbursable expenses should be reported in full compliance with all regulations. Employees are to cooperate fully and not conceal information from Eupe's Internal Auditors or any external auditors retained by the Company.
- 3.5.3 No person should issue or authorise issuance of any document of the Company that is false or misleading. No undisclosed or unrecorded fund or asset of the Company should be established for any purpose.
- 3.5.4 No payment should be approved or made with the intention, understanding, or agreement that any part of such payment is to be used for any purpose other than described by the documents supporting the payment.

3.6 Policy on Giving and Receiving Gifts and Gratuities

- 3.6.1 The guidelines concerning the giving and receiving gifts and gratuities as follows:
- a. Executive Directors, management and staff are prohibited from **demanding or receiving any benefit** from trading parties or other external parties with whom the Company is doing business.
 - b. Executive Directors, management and staff are strictly prohibited from offering any benefit to any trading parties or other external parties in any attempt to persuade them to commit a fraudulent action.
 - c. Executive Directors, management and staff should refrain from giving/receiving gifts or gratuities from any trading parties or other external parties with whom the Company is doing business. Gifts given or received during festive occasions are excluded from this requirement provided that they have an appropriate value (not exceeding RM300 per person in aggregate) and are not related to any business commitment.
- 3.6.2 In order to protect individuals and the Company against any accusation of malpractice in connection with their employment, it is specifically forbidden for Company's employees or their families to receive any gift or favour of any kind whatsoever (modest or not) from any candidate who is seeking employment with Eupe. Such candidate who offers any such "inducement", "gift" or "favour" will be immediately disqualified from the selection process.
- 3.6.3 The receipt of modest token gifts such as diaries, calendars or other such "give-away" items is permitted.



3.7 Policy on preventing corruption and offering a bribe

The guidelines for preventing corruption and offering a bribe are listed as follows:

- a. Directors, management and staff should not give or receive benefits that could possibly improperly influence the decision making process and may cause condemnation or loss of reputation.
- b. Procurement is to be conducted according to the company's guidelines and should be fair to all parties involved. The procurement's decisions are to be made on the basis of reasonable prices, quality, and service, and should stand scrutiny if an investigation occurs.
- c. Transaction with government must not be such as to persuade the government or government officials to do anything unethical or inappropriate. Mutual acknowledgement and building relations, within the proper bounds and normal practices, such as offering congratulatory messages and flowers on public occasions is acceptable.

3.8 Ethics for Intellectual Properties Rights

The Company requires that all of its Directors, management and staff to respect the intellectual property rights of others with care and caution.

3.9 Safety, Occupational Health and Environment

3.9.1 The Company is committed to conduct business with the highest standards of safety, occupational health and environmental conditions in accordance with the following general guidelines:

- a. The Company shall comply with all legislations and regulations relating to safety, occupational health and environmental requirements in all locations in which the Company operates.
- b. The Company shall follow practices that constantly ensure that its working environment is safe for the protection of life and property of the Company and its employees.
- c. The Company shall encourage health and safety awareness at all levels and promote procedures and practices that ensure environmental protection taking into account current legislation and industry codes and practices.
- d. The Company shall fully disclose all information regarding its operations and standards in relation to safety, occupational health and the environment.

3.9.2 Eupe will seek continuous improvement in its occupational health and safety performance and comply with all applicable laws, regulations and standards that reflect the Company's commitment to occupational health and safety.

3.10 Religious/ Racial/ Sexual Discrimination

3.10.1 Eupe is committed to maintain a diverse workplace free of religious and racial discrimination and/or sexual harassment. All employees should be treated with respect in an environment free of unlawful discrimination, harassment and offensive behaviour. It is the responsibility of the management to ensure that all workplace decisions and activities are free of unlawful discrimination and harassment and to appropriately investigate all complaints or suspected instances of unlawful discrimination and harassment.

3.10.2 The Company considers any breach of discrimination to be misconduct. If, after investigation, allegations of harassment are substantiated, the Company will institute appropriate disciplinary action against those responsible, up to and including dismissal.

3.10.3 The management and the employees shall be further guided by Eupe's Code of Conduct on Sexual Harassment.

3.11 Outside Activities and Interests

3.11.1 Where a staff wishes to engage in outside activities for personal financial gain or to become involved in another organisation, which has or is likely to have any commercial dealings with the Company, prior written permission must be obtained from the Chairman or Managing Director. If such permission is not granted, the staff in question must refrain from engaging in such activities, failing which severe disciplinary action will be taken against him/her.

3.11.2 Eupe also strongly discourages any tendency on the part of management or supervising personnel to implicitly approve or condone such practices.

3.12 Fair and Courtesy Inter-personal Conduct

The staff is required to treat their fellow staff fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability, and shall not cause any form of discrimination or prejudice in the workplace.

3.13 Dishonesty, Misconduct and Corrupt Practices

3.13.1 The staffs are not allowed to be involved in any activity that is deemed by the Company to be an act of dishonesty, misconduct (including use and abuse of drugs) and commercial corruption.

3.13.2 The staff shall, at all times, act honestly and in the best interests of the Company and use reasonable diligence in the discharge of the duties of his or her office.



3.14 Policy and Practices toward Money Laundering and Terrorism Financing

The Company is prohibited from engaging in money laundering and terrorism financing. Offences covered by anti-money laundering and anti-terrorism financing include prejudicing or obstructing an investigation or failing to report a suspicious activity.

3.15 Policy and Practices toward Abuse of Power

There should be control over the corporate resources that could be misused for the Directors' personal benefits and operational checks and controls should be in place.

4. CONTRAVENTION OF THE CODE

Any staff who knows of any suspected contravene or violation of the Code, is encouraged to report the matter in accordance to the Company's Whistleblowing Policy.

5. REVIEW OF THE CODE

The Board shall monitor compliance with the Code and review the Code regularly as practices on Corporate Governance evolve and further guidelines on Corporate Governance are promulgated by the relevant regulatory authorities. All findings and recommendations shall be communicated to the Board.

6. WAIVER OF THE CODE

Waiver of the Code may be granted by the Board or the appropriate Committee of the Board on a case-by-case basis and only in exceptional circumstances.