



CODE OF CONDUCT AND ETHICS



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 and its subsidiaries (“Group”). It is the duty and responsibility of all Directors, management, employees 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 Group. The Group’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 employees’ conduct. Some of the principles covered in this Code 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 employees must comply with local laws, rules, regulations as well as customs and traditions of the country in which the Group operates.
- 3.1.2 Directors, management and employees must comply with the directives and rules of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Securities Commission Malaysia.
- 3.1.3 Directors, management and employees must comply with the Company’s rules and policies.
- 3.1.4 Directors, management and employees must not assist, support or conspire to avoid any legal or regulatory compliance.
- 3.1.5 Directors, management and employees 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 Interest

- 3.2.1 Conflict of interest situations generally refer to circumstances where a person with a vested interest in the Group is in a position or has the opportunity to influence the Group's business or other decisions in ways that could lead to personal gain or advantage in any kind.
- 3.2.2 The Company has established a policy on conflict of interest and related party transactions for Directors, management and employees, as follows:
- a. Avoid any transaction related to oneself, which may lead to a conflict of interest situation with the Group.
 - b. If it is necessary to carry out such transaction for the Group'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 Group in advance. Furthermore, Directors, management or employees 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 listing requirements of Bursa Securities, Director, management and employees must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.
 - d. If a Director, management, employee or a member of their family is involved with or becomes a shareholder in a business in competition with the Group or any other business that may cause a conflict of interest with the Group, he/she must inform the Board in writing. Where the conflict of interest has been appropriately disclosed, the interested Director shall not participate in any discussion while the transaction or proposed transaction is being considered during the Board meeting and shall not vote on the said transaction.
 - e. If a Director, management and employee becomes a Director, partner, advisor or participant in any other capacity in another company or business organisation, such position must not conflict with the Group's business or that person's direct responsibilities in the Group.
- 3.2.3 It is not always easy to know whether any 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 Group 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.



3.2.4 The transactions contemplated under item 3.2.2 above 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.

3.3 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 the securities of Eupe.

3.3.3 The Directors, management and employees of Eupe are to exercise caution and due care to safeguard material, confidential or sensitive information of the Group 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. This information must be held in the strictest confidential by the Directors, management and employees involved until it is publicly released.

The guidelines are as follows:

- a. Directors, management and employees 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 Group.
- b. Directors, management and employees must not use information which is not generally known to the public 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 securities of the Company.



- c. Directors, management and employees must not disclose business secrets to any third party especially to competitors even after a Director, management or employee has left the Group.

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 Group, 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 management and employees to exercise reasonable business judgement in a manner that protects the Group's resources and assets and promotes them 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 employees should use the Company's resources and assets in a cost-efficient manner for maximum benefit of the Company.
- b. Management and employees 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 Any employee 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 Group 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 Group 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 Group should be recorded on the books of the Group. All reimbursable expenses should be reported in full compliance with all regulations. Employees are to cooperate fully and not conceal information retained by the Group.
- 3.5.3 No person should issue or authorise issuance of any document of the Group that is false or misleading. No undisclosed or unrecorded fund or asset of the Group 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 Directors or employees must not offer or accept hospitality, gifts or personal favor that could, in any way, influence or appear to influence, business decisions in favour of any person or organisation with whom or with which the Group has, or is likely to have, business dealings.
- 3.6.2 Similarly, every Director and employee must not accept any other preferential treatment under these circumstances because of their positions with the Group might be inclined to, or be perceived to, place them under obligation to return the preferential treatment.
- 3.6.3 The Directors or employees must ensure that the gift offered and received are not illegal under any applicable laws in the countries of both the offeror and recipient of such gift and does not violate the Company's Anti-Bribery and Anti-Corruption Policy ("ABAC Policy").

3.7 Policy on preventing corruption and offering a bribe

Bribery and corruption in all forms relating to the Group's business are strictly prohibited. The Company had established an ABAC Policy which sets out rules and guidance on how to deal with improper solicitation, requests for bribes and other corrupt activities and issues that may arise in the course of business. The ABAC Policy is applicable to all Directors, management and employees of the Company as well as all its subsidiaries and related or associated companies including business associates who perform services for and/or act for or on behalf of Eupe.

3.8 Ethics for Intellectual Properties Rights

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

3.9 Safety, Occupational Health and Environment

- 3.9.1 The Group 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 Group shall comply with all legislations and regulations relating to safety, occupational health and environmental requirements in all locations in which the Group operates.
- b. The Group shall follow practices that constantly ensure that its working environment is safe for the protection of life and property of the Group and its employees.
- c. The Group 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 Group 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 Group'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.

3.11 Outside Activities and Interests

3.11.1 Where an employee 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 Board Chairman or Group Managing Director. If such permission is not granted, the employee 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 employee is required to treat their fellow colleagues 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

The employees 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.

The employees 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

The Group is committed to doing business the right way, by acting ethically and consistently with the Code, its policies and all applicable laws, rules and regulations. Directors and employees have a continuing obligation to familiarise themselves with applicable laws relating to their job responsibilities in discharging their fiduciary duties towards the Group.

Any employee who knows of any suspected contravene or violation of the Code, is encouraged to report the matter in accordance with 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.

The Code shall be made available on the Company's website.

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.