

# Code of Ethics for Directors

## A. INTRODUCTION

The business environment and laws have increasingly become more complex and this has led to a greater requirement for company directors to have a better understanding of the environment and laws under which they lead their companies. It is important to establish a standard of competence for corporate accountability which includes standards of professionalism and trustworthiness in order to uphold good corporate integrity.

## B. PRINCIPLES

This Code of Ethics ("Code") is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

## C. PURPOSE

This Code is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

1. To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted and upheld.
2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company.

## D. DEFINITION

In the context of this Code, a company director means any person who holds the position of director in a company irrespective of any designation used, including anyone who follows the directives and advice of a corporate director as well as an alternate director. It also includes both executive and non-executive directors.

## E. CODE OF ETHICS

In the performance of his duties, a director should at all times observe the following:

### 1. Corporate Governance

- 1.1 Have a clear understanding of the aims and purpose, capabilities and capacity of the company;
- 1.2 Devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
- 1.3 Ensure that the company is properly managed and effectively controlled at all times;
- 1.4 Stay abreast of the affairs of the company on all matters of importance in order to be effective in corporate management;

- 1.5 Stay informed of the company's compliance with relevant legislation and regulatory requirements;
- 1.6 Limit his directorship of companies to a number in which he can best devote his time and effectiveness; each director is his own judge of his abilities and how best to manage his time effectively in the company in which he holds directorship;
- 1.7 Have access to the advice and services of the company secretary, who is responsible to the board, to ensure that proper procedures, rules and regulations are complied with;
- 1.8 Exercise his powers for the purposes they were conferred, for the benefit and prosperity of the company;
- 1.9 Disclose all contractual interests whether directly or indirectly with the company immediately. No director may vote in respect of any other contract or proposed contract or arrangement in which he, or persons connected to him, are interested, whether directly or indirectly;
- 1.10 Do not divert to his own advantage any business opportunity that the company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- 1.11 Act with utmost good faith towards the company in any transaction and act honestly and responsibly in the exercise of his powers in discharging his duties at all times;
- 1.12 Exercise independent judgment and, if necessary, openly oppose any proposal that is against the interest of the company; and
- 1.13 Ensure that the company operates within the laws and regulations imposed by the authorities.

## **2. Relationship with Shareholders, Employees, Creditors and Customers**

- 2.1 Be conscious of the interest of shareholders, employees, creditors and customers of the company and strive to achieve a fair balance in meeting the needs of the stakeholders;
- 2.2 Promote professionalism and constantly strive to improve the effectiveness of management and employees; and
- 2.3 Ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

## **3. Social Responsibilities and the Environment**

- 3.1 Strive to make effective use of natural resources in a sustainable manner;
- 3.2 Strive to ensure that the activities and the operations of the company do not harm the interest and well-being of the environment and society at large; and
- 3.3 Be mindful of the needs of the community and assist in society-related programmes in line with the aspirations of the concept of a 'Caring Society'