



PENTAMASTER CORPORATION BERHAD

CODE OF CONDUCTS

Pentamaster Corporation Berhad (PCB or the “Company”) and its subsidiaries (the “Group”) Code of Conducts reflects the Group’s existing culture and serves as a guide for our directors, managers and employees in their daily activities. It describes the values, principles and practices that guide business conduct in the Group. This Code of Conduct reflects the objective of management to reinforce company-wide ethical standards and to sustain a work environment that fosters **integrity, caring, respect** and **professionalism**. It is the conviction of management that the long-term interest of the Group are best served by following the policy strictly to be lawful, highly principled and socially responsible in all business activities.

This Code of Conduct is applicable to all employees and the members of the Board of Directors.

1. Compliance with Laws, Rules and Regulations

The Group and its employees endeavor to conduct its business in compliance with applicable laws, rules and regulations and in accordance with high ethical principles and standards. The Group’s reputation for integrity, quality and honesty is based on this commitment and helps to ensure its long-term success.

Please refer to Appendix I for exhaustive list of common acts of misconduct.

2. Corporate Responsibility

PCB is dedicated to operate in a manner that is economically, socially and environmentally responsible.

PCB is committed to the principle of sustainable development. It strives to make efficient use of natural resources and minimize the environmental impact of its activities and products over their life cycle.

3. Anti-corruption

PCB prohibits corruption and bribery, and does not tolerate any practice that seek to obtain business through improper means. Neither the Group’s employees nor its immediate family members are allowed to offer, receive or accept any kind of benefit to or from business partners, government officers, customers and vendors which might compromise, or appear to compromise, the ability to make objective and fair business decisions.

4. Gift, Gratuities and Business Courtesies

The Group is committed to compete solely on a merit of our products and services. Material gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom the Group dealt, need to be declared and seek necessary approval. The Group will neither give nor accept any material business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of the Group or customers, or would cause embarrassment or reflect negatively on Group's reputation.

"Material" shall include any gifts, gratuities or business courtesies that would impair the employees' judgment from ability to provide objective and fair services to all customers.

Most business courtesies offered to employees in the course of employment are offered because of their positions within the Group. Employees may accept unsolicited business courtesies that promote successful working relationships with the Group's customers.

Employees who award contracts or who can influence the allocation of business or who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse material courtesy from supplier when the Group is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain the Group's business.

Employee may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

- They are not inappropriately lavish or excessive;
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity;
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future; or
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

Employees who are in doubt over accepting material gifts, gratuities and business courtesies should discuss with their immediate supervisor or representative from the HR department.

5. Offering Business Courtesies

Any employee who offers business courtesies must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon the Group. Accepting business courtesies must be done in accordance with approved company procedures.

Further, management may approve other courtesies, including meals, refreshments or entertainment of reasonable value, provided that:

- The practice does not violate any law or regulation or the standards of conduct of the recipient's organization; and
- The business courtesy is consistent with industry practice, is infrequent in nature and is not lavish.

Employees who are in doubt over providing business courtesies should discuss with their immediate supervisor or representative from the HR department.

6. Insider Trading

PCMB requires its employees to refrain from insider trading. This applies to employees who have access to material non-public information about the Group or affiliates or any companies where the Group has business dealings. Such material non-public information may relate to, for example; plans, design, new products or processes; mergers, acquisitions or divestment of business or securities; problems facing by the Group or any companies where the Group has business dealings; undeclared sales; undeclared profitability; negotiations relating to significant contracts or business relationship; significant litigation; or any other undisclosed financial information.

Employees are also refrain from disseminating out material non-public information of the Group or affiliates or any companies where the Group has business dealings

"Material non-public information" shall include any information where the disclosure may affect the price of a security and has not been disseminated to public in general.

7. Discrimination and Harassment

PCB is a social responsible employer and recognizes its employees as a great strength. The Group seeks high commitment from its employees. The Group is committed to provide equal opportunities to every employees of the Group and promotes professional and personal growth. The Group respects each employee and promotes courteous and constructive views, criticisms and exchanging ideas.

The Group does not tolerate discrimination or harassment of any kind. Threats or acts of violence and physical intimidation are forbidden. The use of illegal drugs and alcohol in the workplace is not tolerated.

Various types of discrimination and harassment which occur at work includes:

- Race, ethnic origin, nationality or skin color;
- Gender and/or sexual orientation;
- Religious or political convictions;
- Membership or non-membership of a trade union; and
- Disabilities, illness, sensory impairments or learning difficulties

(This list is not exhaustive)

8. Sexual Harassment

Sexual harassment is defined as unwanted and unwelcome sexual advances, request for sexual favors, and other verbal or physical conduct of a sexual related gesture.

PCB prohibits inappropriate sexual related gesture at work including the following:

- Comments, jokes or degrading language or behavior that is sexually harassing;
- Sexually suggestive objects, books, magazines, photographs, cartoons, pictures, calendars, posters, electronic communications, website or other material;
- Unwelcome sexual advances, requests for sexual favors, or any sexual touching; and
- Offering favorable terms or conditions of employment or benefits in exchange for sexual favors or threatening or imposing less-favorable terms or conditions of employment if sexual favors are refused.

Sexual harassment is prohibited whether between members of the opposite sex or members of the same sex

9. Conflict of interest

Conflict of interest exists when a person has a private interest that differs from the Group's interest. In conflicting situation, the employees shall put the interest of the Group above personal interest.

Conflict of interest can arise in many situations including the following but not limited to:

- Receiving improper personal benefits as a result of their positions in the PCMB Group or through access to confidential information; and
- Serving as directors, managers, employees, advisers or agents of any competing business or other business or non-profit organisation that would adversely affect their commitment to the Group, unless such service is specifically approved by the Group.

The Group encourages all employees to participate in community services in their local non-profit organization. However, it must ensure that all activities outside their commitment as an employee does not result in conflicting interest.

Any conflict of interest or potential conflict of interest should be reported and discussed with the employee's immediate supervisor or representative from the HR department.

10. Non-solicitation and Non-competition

Employee shall not directly or indirectly through any immediate family member or close associates during the term of employment and for a period of three (3) years after the termination of his/her employment with the company:

- Either solely or jointly with or on behalf of any person direct or indirectly carry on or be engaged or interested in any competing business of which the principal activity and related technology involving techniques, know-how or methods developed at or for the Group.
- Solicit the customer of any person who is or has been at any time during the term of this Agreement a customer of the Group for the purpose of offering to such customer goods or services similar to or competing with the Group.
- Solicit or entice away or endeavor to solicit or entice away any director or employee of the Group.
- Cause or permit any person directly or indirectly under his control to do any of the foregoing acts or things.

11. Record-keeping

The Group ensures that relevant information are properly kept and consistent with the period specified in the Group record retention policy or any local rules and regulations.

All reports, statement and records, whether held electronically or in hard copy, must reflect the actual events and transaction accurately. Dishonest reporting within the Company, or to organizations or persons outside the Company, is strictly prohibited.

12. Protection and Proper use of Assets.

Employee is responsible for safeguarding and making proper use of the Group's property and asset. Each employee has an obligation to protect the Group's property from loss, damage, theft, embezzlement or destruction.

Any situations or incidents that could lead to such result should be reported by employees immediately to their superior.

13. Confidentiality and Privacy

Information is one of the Group most valuable corporate assets. Effective dissemination of information is critical to the success of the Group. Employees are required at all times, to safeguard any Confidential Information or proprietary information unless disclosures are required by specific laws or regulations.

"Confidential Information" include but not limited to (i) intellectual property, such as trade secrets, patents, trademarks, copyrights, manufacturing know-how, designs, inventions and database; (ii) business and marketing information; (iii) salaries information; and/or (iv) any material non-public information.

It is the Group's policy that all personal information on employees, customers, business partners or suppliers be used diligently and treated confidentially.

Employee acknowledges the following:

- During the course of employment with the Company he may become acquainted with or have access to the Confidential Information, and agrees to maintain the confidentiality of the information and prevent any unauthorized dissemination;
- Employees agrees not to use any Confidential Information for any purpose other than for the benefit of the Group during his employment with the Group.
- Employee shall not remove the any Confidential Information or reproduce, copy, duplicate any Confidential Information without written consent of the senior management of the Group;
- Employee agrees to promptly return any or all Confidential Information on the day the employee is terminated from his employment with the Group. Employee shall surrender all materials, documents, drawings files, records, specification and other physical things containing any Confidential Information.

14. Health and Safety

The Group strives to adhere to the highest standard of health and safety of each of its employees, customers and visitors by maintaining a workplace that is safe and/or free of hazardous conditions. The Group has established a Safety Committee and ERT to organize safety programs which includes procedure for correcting unsafe working conditions and responding to emergency situations.

15. Professionalism

Employees are required to adhere to the highest standard of professionalism. Employee are encourage to pursue innovation and new ideas from time to time.

16. Accountability

All employees including the Board of Directors are required to comply under this Code of Conduct. Violations of the Code of Conduct will lead to reprimanding, follow by dismissal should there be no corrective action. Any changes in, or waiver of this Code of Conduct will be disclosed to all employees.

17. Concerns & complaints

If any employee have concerns or complaints about the matters covered under this Code of Conduct, including possible violations of the Code of Conduct, he/she should submit queries to their immediate supervisor or representative from HR. Employees are advised to demonstrate professionalism and respect during enquiry.

The Group has incorporated a whistleblowing policy where any employees that suspect any irregularity, or suspected irregularity, involving employees as well as customers, consultants, vendors, contractors and/or any other parties with a business relationship with the Group, is encouraged to send a report verbally or in writing to designated communication channel at whistleblowing@pentamaster.com.my.

APPENDIX I: COMMON ACTS OF MISCONDUCT

- All forms of harassment including verbal or physical abuse, sexual and racial remarks.
- Gossiping or spreading malicious rumors about the Group.
- Gambling whether involving money or otherwise, in the Company's premises.
- Gross negligence while performing their duty during working hours.
- Interfering or manipulating with the record of his attendance or of any other employees.
- Possession of illegal and/or lethal weapon on the Company's premises.
- Smoking in prohibited / restricted areas.
- Illegal substance or drug abuse.
- Disseminating Confidential Information.
- Habitual late coming or late attendance without informing their immediate supervisor or representative from HR.
- False job application, loan application or declaration.
- Unauthorized use of time cards.
- Possession, sale or distribution of unsuitable, indecent or pornographic materials.
- Committing an immoral act within the Company's premises.
- Failure to report serious infectious or contagious illness or disease to the Company's medical Officer or HRD.
- Forging or defacing medical certificates or other official documents to defraud the Company.
- Conduct which is likely to cause injury or endanger the life or safety of another person within Company's premises.
- Trespassing or forcible occupation of the Company's premises or prohibited areas.
- Causing the Group to be on legal suit on purpose.
- Bypassing the proper channel of communication.
- Refusal to accept any communication served either in accordance with the Code of Conduct or in instigating the same.
- Participation in illegal gatherings or activities in the Company's premises or abetting, inciting or instigating the same.
- Participation in political gatherings or activities that tarnish the Group's reputation.
- Serious pecuniary indebtedness affecting the public image of the Company and the Group.
- Making public statements or articles or social media ranting that tarnish the Group's reputation.
- Leaving work place during working hours without permission of the immediate supervisor or overstaying sanctioned leave without sufficient grounds or proper or satisfactory explanation without informing or attempting his employer of the excuse or reason for such absence.
- Absenteeism.
- Quarrelling or fighting or committing a nuisance at the work place.
- Misdemeanors.
- Carelessness or wilfully causing damage or loss to the Company's property or goods.
- Theft/Pilferage/Misappropriation or attempt of the same of the Group's money or property or other employee's money or property within the Company's premises.
- Fraud, dishonesty, falsification or attempt of the same in connection with the Company's business, money or property.
- Fighting with or assaulting, abusing or being violent towards another employee or authorized visitor on the Company's premise or threatening the same.
- Prosecuted or charged with criminal offense during working hour.
- Soliciting or accepting bribes or any illegal gratification.
- Participation in unauthorized financial transactions within the Company's premises.
- Participation in illegal strikes.
- Instigating industrial action among employees against the Company.

- Picketing in the Company's premise except where permissible under the law, agreement or award.
- Inciting other employees to participate in illegal strikes in contravention of the provisions of any law or rule having the force of law.
- Wilful insubordination or disobedience whether alone or in combination with others to any lawful and reasonable order of a superior.
- Conflict of interest.
- Breach of fiduciary relationship.
- Deliberate interference with or damage and contamination of factory processes, material or equipment.
- Posting, altering, removing, defacing or destroying the Company's notices or any material on bulletin boards or the Company's property without the permission of the management.
- Failure to furnish information which is within the scope of his employment and which relates to the mutual interest of the Company and the employee.
- Malingering and feigning illness.
- Loitering during working hours.
- Failure to follow safety procedures or tampering with safety devices to the detriment of the Company or its employees.
- Infringement of safety regulations.
- Unnecessary wastage of documents and materials.
- Abuse or unauthorized use of the Company's property, utilities, equipment or facilities.
- Habitual or substantial negligence in the care of tools, equipment and apparatus of the Company.
- Wilful failure to report at once to his superior any defect which an employee may notice in any equipment connected with his work.
- Wilful in not reporting any defect or occurrence which an employee may notice or which might endanger himself or any other person or which might result in damage to the Company or any person within the Company.
- Failure to keep the work place clean and tidy.
- Obstructing, inciting or wilfully slowing down other employees from work.
- Blackness in performance.
- Disclosing commercial or manufacturing secrets, calculations or designs.
- Acting in violation with competition laws, including agreeing with competitors on prices or any other terms and conditions to customers, allocation territories or customers, rigging bids.
- Ceasing work without permission before the proper finishing time.
- Spitting within the Company premises.
- Playing computer games at the company premises during or installing computer game(s) into company's computer.
- Interfering with another person's work during working or non-working hours.
- Writing frivolous or offensive notes/ memos/ letters to superior.
- Contaminate drinking fountain water in the premises.
- Selling or advertising non-company products in circumstances prejudicial to discipline.
- Bringing friends or visitors without permission to tour the factory.
- Refusal to submit to search when required to do so by the company authorised representative.
- Installing pirated computer software or unlicensed computer software in the company's computer.
- Engaging in private work or trade within the Company or outside the Company which is directly and indirectly in conjunction with the business of the Company.
- Any other offences that are deemed major.

(The list is not exhaustive)