

## **CODE OF CONDUCT AND ETHICS**

### **1. INTRODUCTION**

The Board of Directors (“Board”) of Ancom Nylex Berhad (“Ancom” or “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”) sets the tone and governance standards for the Company and its subsidiaries (“Group”). It is the duty and responsibility of all Directors to stay guided by the policies and procedure 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 society.

In this Code of Conduct and Ethics, any reference to the Company shall also mean the Group, wherever applicable.

### **2. PURPOSE**

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

- (a) To establish a standard of ethical behaviour within the Group based on trustworthiness and values that can be accepted and upheld by any one person.
- (b) To uphold the spirit of professionalism, objectivity, transparency, and responsibility in line with the legislation, regulations and environmental and social responsibility governing the Group.
- (c) To manage conflicts of interest, and prevent the abuse of power, corruption, insider trading and money laundering.

No code or policy can anticipate every situation that may arise, or replace the thoughtful behaviour of an ethical Director. Any Director may bring questions about circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Board, who may consult with internal or external legal counsel as appropriate.

### **3. SCOPE**

This Code applies to all Directors of the Company and the Group, save for the Company’s listed subsidiaries as these companies already have (or may in the future adopt) their own Code of Conduct and Ethics. All Directors must conduct themselves in compliance with all applicable laws, rules, codes, and regulations, wherever the Group conducts business, and this Code shall apply subject to the prevailing laws.

### **4. DIRECTORS’ CODE**

In the performance of his or her duties, each Directors must comply with the spirit of the corporate governance as follows:-

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**Code of Conduct and Ethics**

- a. Have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- b. 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;
- c. Ensure at all times that the Company is properly managed and effectively controlled;
- d. Stay abreast of the Company's affairs and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- e. Insist on being kept informed of all matters of importance to the Company in order to be effective in corporate management;
- f. Limit the directorship of companies to a number they can manage, with each Director judging his own ability to carry out his/her duties effectively in the companies in which he/she holds directorship;
- g. 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;
- h. At all times exercise their powers for the purposes they were conferred, for the benefit and best interest of the Company;
- i. Disclose immediately all contractual interests whether directly or indirectly with the Group;
- j. Neither divert to his/her own advantage any business opportunity that the Group is pursuing, nor use confidential information obtained by reason of his/her office for his/her own advantage or that of others;
- k. At all times act with the utmost good faith towards the Group in any transaction and exercise his/her powers honestly and responsibly in discharging his/her duties;
- l. Be willing to exercise independent judgment and, if necessary, openly oppose proposals that jeopardise the vital interests of the Company; and
- m. Relationship with shareholders, employees, creditors and customers and other stakeholders--
  - (i) Be conscious of the interest of shareholders, employees, creditors and customers of the Group;
  - (ii) At all times promote professionalism and improve the competency of the Group's management and employees; and
  - (iii) Ensure adequate safety measures and provide proper protection to the Group's workers and employees at the workplace.

**3. CONFIDENTIALITY OF INFORMATION**

Confidential information may be considered as "insider information". 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 Company's securities.

Directors 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 must not use information they receive from their directorships for personal benefit or for conducting business or other activities in competition with the Company.
- b) Directors 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 must not disclose business secrets to any third party especially to competitors even after they have ceased to be members of the Board.

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 right issue or bonus issue
- New products or discoveries
- Material litigation
- Liquidity problems

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

#### **4. SOCIAL RESPONSIBILITIES AND THE ENVIRONMENT**

- Ensure that necessary steps are taken in accordance with the law to properly wind up or strike off the Company Register if the Company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;
- Adopt an objective and positive attitude and give the utmost co-operation for the common good when dealing with government authorities or regulatory bodies;
- Be socially responsible persons or Group by supporting life-changing causes and efforts, in the arena of community, education and health, in addition to preserving the environment;
- Ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- Be more proactive to the needs of the community and assist in society-related programmes in line with the aspirations of the concept of the Group campaign or vision; and
- Ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

#### **5. ANTI-CORRUPTION PRACTICES**

The combination of sound corporate governance and ethical business conduct is fundamental to the achievement of the Group's objectives to grow its business sustainably and enhance stakeholder value. The Directors therefore have a responsibility to strive to uphold the Group's international reputation for integrity in every sphere of its operations. It is the Group's policy to conduct its business in a fair, honest and transparent manner. The Directors have a zero tolerance for corrupt practices or acts of bribery to obtain an unfair advantage for the Group or for the Directors.

## **6. GIFTS, GRATUITIES AND ENTERTAINMENT**

Each and every Director must not accept hospitality, gifts, or personal favours 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 Company has, or is likely to have, business dealings.

Similarly, every Director must not accept any other preferential treatment under these circumstances because their positions with the Company might be inclined to, or be perceived to, place them under obligation to return the preferential treatment.

## **7. INSIDER TRADING**

Insider trading, illegal by law, can take many forms. This includes the use of or disclosure of price sensitive information for personal benefit or for the benefit of others. Directors who have access to price sensitive information should observe the rules and regulations of the Securities Commission and Bursa Malaysia Securities Berhad ("Bursa Securities"), and other applicable laws in respect of trading in securities of the Company.

## **8. CONFLICT-OF-INTEREST**

The Company has established a policy on conflict-of-interests and related transactions for Directors 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 Board in advance. Furthermore, Directors 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 Securities's requirements, the Directors must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.
- d) If a Director or a member of his/her 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 becomes a Director, partner, advisor or participant in any other capacity in another company or business organisation, such position must not conflict with the Company's business or that person's direct responsibilities in the Company.

It is not always possible 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 the Directors' mind about the possibility of a conflict, the Directors should discuss the matter with the Chairman of the Board who may then consult with the other Board members. The Directors shall give the Company their fullest cooperation in the correction of any situation in which a conflict- of-interest exists or may arise.

## **9. PROTECTION AND PROPER USE OF COMPANY ASSETS**

All Directors are expected to exercise their business judgement in a manner that protects the Company's assets and promotes their efficient use. All Company's assets are to be used for legitimate business purposes.

## **10. WHISTLEBLOWING**

The Directors are requested to promptly communicate any suspected violations of the Code, including any violation of law, rules or regulations under which the Company is subject to the Chairman of the Audit Committee if it is believed that he/she has observed illegal or unethical behaviour by any Directors, employees, officers or by anyone purporting to be acting on the Company's behalf and, the reporting person has any doubt about the best course of action in a particular situation.

The Board has implemented a formal Whistleblowing Policy and set up a Whistleblowing channel at the Company's website at *www.ancomnylex.com* for the Directors to anonymously report any concerns or complaints of illegal conduct or malpractice or potential misconduct. The Chairman of the Audit Committee has been designated as the person to whom all whistleblowing concerns or complaints may be directed. The Chief Integrity Officer shall be the contact person on all matters relating to Whistleblowing.

## **11. COMPLIANCE WITH LAWS**

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