

Policy & Procedural Manual



Code Title : Business Ethics and Code of Conduct

Code Number : 115-01

Effective Date : 22 March 2024

Approved by : Board of Directors

BUSINESS ETHICS AND CODE OF CONDUCT

1. Purpose

- 1.1 This Business Ethics and Code of Conduct (“**Code**”) sets out the standards for appropriate business conduct for employees, officers, directors, agents and representatives of TMK Chemical Bhd and its subsidiaries (the “**Group**”), its affiliates, divisions, business units and manufacturing sites worldwide.
- 1.2 This Code is intended to assist the employees of the Group in understanding the ethical standards and conduct at work. The Code is not intended to be exhaustive, and there may be additional obligations.
- 1.3 For all intents and purposes, employees should always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

2. Scope

- 2.1 This Code is applicable to all employees of the Group.

3. Responsibilities

- 3.1 **Board of Directors** (“**Board**”) is responsible for overseeing compliance with this Code and for implementing, monitoring compliance, investigating reports of suspected violations of law or this Code and for reviewing this Code on a periodic basis.
- 3.2 **Operating Centres’ (OC) Management** is responsible for disseminating and reviewing this Code with their OC employees to ensure the employees understand and agree to abide by this Code. In this respect, the OC Manager should have a copy of this Code distributed to all his respective Executive or published on the OC notice board for the employees’ awareness to ensure all employees abide by this Code.
- 3.3 **Employees** are responsible for understanding and complying with this Code, and reporting suspected violations. Employees are encouraged to report any concerns about compliance with this Code.

4. Code

- 4.1 This Code sets forth the Group’s Business Ethics and Code of Conduct. Our core values guide us in all aspects of our business. It is not possible to address in this Code every possible situation that may
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arise in the conduct of our business. If you have any doubts or concerns or encounter a situation not covered in this Code, please consult Corporate Department.

4.1.1 Compliance with Law and Government Regulations

The company and its employees, managers, officers, directors, agents and representatives must adhere to the highest ethical standards in every area of our business and in all of our daily activities and comply with all laws and regulations that apply to the conduct of the company's business worldwide.

4.1.2 Product Quality

- (i) The Group is committed to providing our customers with effective and quality products that meet their needs. The Group strives to find innovative solutions to the needs of customers and to provide excellent service to all our customers.
- (ii) Product quality is the business of every employee. Corporate Department and OC Managers are collectively and individually responsible for overseeing a process for ensuring that our employees are aware of and comply with the product regulations applicable to their duties.

4.1.3 Respect for Individuals and for Our Communities

- (i) Customers, vendors and other business partners and our competitors are to be treated with respect, courtesy and fairness and employees must behave themselves in a professional manner.
- (ii) Any type of harassment and violence will not be tolerated. These actions or behaviours include derogatory comments based on gender, race, religion or ethnic characteristics, unwelcome sexual advances, spreading of malicious rumours or use of e-mails, voicemail and other forms of communication channels to transmit derogatory or discriminatory material.
- (iii) Workplace harassment by any employee is unacceptable. It is the Group's policy to provide all employees with a working environment free from any form of harassment. Any questions concerning such issues should be directed either to the employees' immediate superior or the Talent Management Department. All such reports and/or complaints shall be treated with strict confidence.
- (iv) The Group is committed to a diverse workplace. There should be no discrimination in any employment opportunity, benefit or privilege. There should be no discrimination based on a person's race, colour, nationality or ethnic origin, age, religion, disability status, pregnancy, gender, or marital status or any other basis.

4.1.4 Occupational Safety and Health

Care should be taken about the safety and health of our employees and visitors to our facilities. Employees must comply with all occupational safety and health laws and regulations applicable to their activities.

4.1.5 Community Service

Under scrutiny from Corporate Department, community service and contribution to the communities in which we work and live are encouraged.

4.1.6 Environmental Compliance

Employees must comply with all applicable environmental protection laws and regulations and respect the communities and conduct our business in an environmentally responsible manner.

4.1.7 Anti-bribery Laws

The Group does not condone any form of bribery or corruption. All employees of the Group must abide by all applicable anti-bribery laws in every country in which the Group does business. No one should offer, promise, authorise or give a bribe in order to gain a competitive advantage, influence the recipient's conduct, reward improper conduct, or cause another not to act in good faith, impartially or in accordance with a position of trust. Likewise no one should request, agree to receive, or accept a bribe.

4.1.8 Confidential Information and Intellectual Property

- (i) Our confidential information is a valuable asset that plays a critical role in our business success. Confidential information is information that is not readily available or generally known to unauthorised persons. The following are examples of our confidential information:-
 - (a) our business plans, budgets and strategic plans, sales and marketing plans and programs, sales figures and other financial information;
 - (b) our technical know-how and information about research and development and manufacturing;
 - (c) information about business transactions, including acquisitions, divestments and licensing activities;
 - (d) compensation and other employment or personnel file information of other employees, contractors and temporary employees; succession planning impacting other employees; and information about future management changes or future reorganisations or restructurings.
 - (ii) Confidential information may be recorded in many ways, including written letters, memoranda and drafts on paper, and also on film, video, audio and electronic media such as computer data. Confidential information must be protected against unauthorized access and inappropriate disclosure, and precautions should be taken to protect it from damage or loss. Our proprietary intellectual property should be protected through patents, copyrights and trademarks and by guarding our trade secrets from disclosure.
 - (iii) Misuse or unauthorized disclosure of confidential information is cause for disciplinary action, including termination.
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- (iv) If unsure whether someone is authorised to receive information, or any other information is confidential and must be protected, refer to Corporate Department. If you are asked for information about current or former employees, also refer the request to the Corporate Department.

4.1.9 Media, Analyst, Government Agencies

All inquiries from the media or other third parties must be referred to Corporate Department, including the following:-

- (i) Inquiries from the financial community or securities analysts.
- (ii) Government agency.
- (iii) Inland Revenue (on audits and special agenda).
- (iv) Customs and excise (GST audit and customs audit).

4.1.10 Books and Records of Accounts

- (i) All Group records and reports must be maintained accurately to ensure compliance with law and adherence to our ethical standards and to prevent fraudulent activities and errors. Employees must never delete, destroy or discard any records without authorisation and particularly where it is to hide a wrongdoing or a mistake.
- (ii) Applicable law and relevant accounting standards must be followed in maintaining and presenting accounting records and reports produced from those records. Do not knowingly give any false, misleading or incomplete information to anyone (external or internal) who is preparing or conducting any authorised audit of the company.
- (iii) Finance and Accounting personnel are responsible for ensuring that any significant accounting, auditing and internal control issues have been reported to Corporate Department.

4.1.11 Ethical Relations with Customers

- (i) No offer of anything of value are to be given to illegally induce the purchase, lease or use or recommended purchase, lease or use of our products or services. Interactions with customers must not violate any laws and must be consistent with the Group's policy and applicable professional or industry codes.
- (ii) This prohibition extends not only to direct payments to customers, but also indirect payments made in any form through consultants or other third parties. Questions about legal requirements and professional or industry codes concerning customer interactions should be directed to the Legal Department.

4.1.12 Business Courtesies

- (i) Offering or providing business courtesies (such as meals, refreshments and travel expenses) are prohibited unless such courtesies are modest in value and otherwise comply with applicable law, and industry or professional codes.
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- (ii) Courtesies such as meals, when permitted, must be modest in value and related to a legitimate business purpose (for example, product demonstration, product offerings or training).

4.1.13 Donations and Grants

OC may make donations to charitable organisations where the donation may be necessary.

4.1.14 Conflicts of Interest

- (i) Conflicts of interest, both real and perceived, can call the objectivity and reputation of the OC into question. Every employee, officer and director must act in the best interests of the Group and avoid situations that involve, or may be reasonably expected to involve, a conflict between his or her interests and the interests of the Group. A conflict of interest exists when the private interests of an employee, officer or director interfere, or appear to interfere, in any way with the interests of the Group. A conflict can arise when an employee, officer or director takes actions or has interests (financial or otherwise) that may impact their ability to perform their work objectively and effectively. A conflict can also occur if an employee, officer, director, or members of that person's family, receives improper personal benefits as a result of his or her position with the Group. It is not possible to list every possible form that a conflict of interest could take, but the following are illustrations of how we avoid conflicts of interest:-
 - (a) Select vendors and other business partners based on considerations such as quality, price, reliability, service and delivery terms, and not based on personal friendships or family connections or potential of the personal financial gain;
 - (b) Must not accept gifts or loans or any other valuable benefit from suppliers or customers except inexpensive, non-cash gifts if permitted by applicable law and consistent with local business custom and any applicable professional or industry codes;
 - (c) Must not make unauthorised use of the Group's property, employees, products, supplies or other resources, including information, for outside activities or any other non-work related purposes. Employees must not engage in any other business than the Group's during their scheduled working hours;
 - (d) If one become aware of a business opportunity that could be of interest to or benefit the OC, one must inform the supervisor and should not take the opportunity for oneself or refer it to a friend or relative;
 - (e) Must not participate in any business dealings that would allow them to profit, directly or indirectly, because they are an agent, owner, stockholder, employee, officer or director of the Group's supplier or customer; and
 - (f) Must not suggest or imply that they are representing the Group in any outside activity, except when authorised to engage in that activity expressly in the capacity of the Group's representative and on behalf of the Group.

- (ii) Before entering into any activity or relationship that might be, or appear to be, a conflict of interest, or that might reflect adversely on the Group, employees must fully disclose all the relevant facts to their manager for the manager to consult with Corporate Department who will determine whether to permit the activity.

4.1.15 Anti-Money Laundering Laws

Money laundering is strictly prohibited. All employees should always ensure that business is conducted with reputable customers, for legitimate business purposes, and with legitimate funds. The laws in certain countries require the Group to report suspicious activity. Check for “red flags” such as:

- (i) Cash payments or other unusual payment terms.
- (ii) Payments by someone that is not a party to the contract.
- (iii) Requests to pay more than provided for in the contract.
- (iv) Payments made in currencies other than those specified in the contract.
- (v) Payments from an unusual, non-business account.

4.1.16 International Trade Restrictions and Export Controls

As a global company, the Group trades across national borders. Many countries periodically impose restrictions on trade with certain countries, persons, or groups. Export laws may control trading of commodities or technologies that are considered strategically important due to its potential to be used for military or narcotics purposes. We are committed to complying with all relevant trade controls and laws that regulate export and import prevailing in every country in which the Group does business.

4.1.17 Competition and Trade Practices

We believe in the importance of healthy competition. The Group is committed to compete successfully and will always do so in full compliance with all applicable competition, antitrust, and fair dealing laws. All employees, particularly those who are involved in sales and purchasing, must ensure that they are familiar with applicable competition laws, and the following rules:

- (i) Contract terms and prices are set independently and will never be agreed, formally or informally, with competitors.
- (ii) Information on prices, contract terms, costs, stocks, or other competitively significant terms will never be exchanged or shared with competitors.
- (iii) Customers and markets will always be secured as a result of fair competition.

4.1.18 Protection of Property and Assets

All employees shall safeguard the properties and assets of the Group. Prevention of loss, misuse, waste, or theft of the Group’s properties and assets is the responsibility of all employees. This responsibility covers tangible and intangible assets, including trademarks,

know-how, and confidential or proprietary information. To the extent permitted under applicable laws, the Group reserves the right to monitor and inspect how its assets are used by employees.

4.1.19 Activities Related to Technical Standards

There are numerous organizations that develop or promote technical standards, such as SIRIM, MS, ASME, ANSI, JIS, DIN, GB, etc.. Before engaging in activities related to technical standards, such as designing or purchasing new engineering equipment, building new plant, developing new products, etc., employees must present their proposals for management approval.

4.1.20 Obtaining and Using Business Information

The Group legitimately collects information on customers and markets in which we operate. We do not seek business intelligence by illegal or unethical means, and competitors may not be contacted for the purpose of obtaining business information.

4.1.21 Side Deals or Side Letters

All the terms and conditions of agreements entered into by the Group must be formally documented. Contract terms and conditions define the key attributes of the Group's rights, obligations, and liabilities. Making business commitments outside of the formal contracting process, through side deals, side letters, or otherwise, is unacceptable. Employees are not allowed to make any oral or written commitments that create a new agreement or modify an existing agreement without approval through the formal contracting process.

5. Waiver of Code

- 5.1 Any waiver of the provisions of this Code for executive officers or directors may be provided only by the company's Board of Directors or a committee of the Group, and must be disclosed to our other shareholders.

6. Employee responsibility; Raising concerns; Reporting suspected violations

- 6.1 Compliance with this Code is the responsibility of all officers, employees and, as applicable, directors.

6.1.1 Non-Retaliation

There is no penalty for good faith reporting of any suspected violation, and the Group's policy prohibits retaliation against anyone for making a good faith report. Reports may be made anonymously. All reports of suspected violations are taken seriously and will be investigated promptly and appropriately by the company. The identity of the person making the report and the fact that a report was made will be kept confidential, to the extent possible, except as otherwise required by law. If you choose not to provide your name, the Group's ability to investigate the matter may be limited by the inability to follow up with you or others to obtain further details.

6.1.2 Negligence: Know your responsibility

All employees must perform responsibly in their work and in performing their duties, be it in manual work, management, administration, decision making, etc., and especially so when dealing with third parties. They must endeavour to be diligent, and always vigilant in ensuring what they do is in the interest of the Group so as not to expose any OC or the Group or any of its officers, directors, employees, agents, etc. to any liabilities whether civil or criminal. They must also not neglect to do anything that might be required to be done and which omission will give rise to similar liability. All employees are responsible for knowing and complying with the requirements applicable to their work activities, including but not limited to those described in this Code and those described in company guidance documents such as manuals, memos, bulletins, standards and procedures. All employees are expected to avail themselves of these resources and use good judgment to guide their actions and decisions.

7. Code of Conduct / Employees' Disciplinary Guidelines

7.1 As a guide, the Group views discipline in the workplace as of utmost importance. Disciplinary guidelines and grievances should be handled locally by the respective OC to suit the local working culture, work environment and cultivation of team work in the OC. However, there are certain values relating to discipline of the employees that the Group emphasize on and this section will outline those core values from time to time. Appended below are a few code of conduct to be practised by all employees of the Group:-

7.1.1 Honesty

The Management will have zero tolerance for dishonesty of employees.

7.1.2 Punctuality

The Management view punctuality as a basic core value of an employee's discipline. In addition to abiding the working hours, arriving on time or earlier for all kinds of meeting and appointments with clients, customers, suppliers, business partners/stakeholders, etc. are equally important.

7.1.3 Frugality

All employees are required to use good judgement in company's expenses, including traveling reimbursement, office administration and operations cost.

7.1.4 Prudent, Meticulous, Courteous Behaviour

All employees are to adopt such attitudes in carrying out their duties, in treating fellow colleagues and in business dealings with third parties representing the Group.

7.1.5 Dress Code

For the employees where company uniform is not provided, they should be neatly attired according to the Group's Dress Code Policy.

7.1.6 Inappropriate Behavior

Most of the Group's employment contract specify that an employee cannot take on any other job as long as he is under the employment in the Group. While this may sound unreasonable especially for lower income staff, it is part of the Group's policy that:-

- (i) no employee shall utilize office hours or utilize office resources, or put in office time, in pursuit of other job functions other than those of the OC he is employed in or for other OC in the Group.
- (ii) employee shall not irritate or cause inconvenience by aggressively selling or promoting any products or services (other than those from or with the consent of any of the Group OC) to any other employee or to any associate, customer, client, or supplier (and their staff) of the Group by virtue of his/her knowledge of such persons.
- (iii) no employee shall solicit for funds from any other employee or clients, customers, suppliers, or associate of the Group whether such funds are for genuine cause or not, except with prior approval from OC Manager or higher authority.

8. Disciplinary Issues

- 8.1 Each OC is to handle any disciplinary issues at their OC.
- 8.2 However, any disciplinary issues involving executives must be reported to the Talent Management Department.
- 8.3 OC with Trade Union or Collective Agreement, should solve amicably any disciplinary issues with their respective Union Leaders and members.

9. Enforcement of Code and Penalty for Violation of Code

- 9.1 All employees of the Group are required to read through, understand the Code and sign-off to confirm their understanding to abide by the Code.
 - 9.2 OC Managers are responsible to ensure all the employees in their OC including themselves have understood the Code otherwise penalty will be imposed for violation.
 - 9.3 In addition to any penalties imposed by law, any employee who has violated the law or the Code is deemed to have committed a serious misconduct and may be subjected to disciplinary action, including dismissal and termination of employment, depending on the facts, severity and circumstances of each case. In severe cases, the employee may be reported to the relevant authorities or legal action taken against him.
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