



PUC BERHAD

Registration No. 199701036234 (451734-A)

CODE OF CONDUCT AND ETHICS

**Approved on
19/11/2019**

A. INTRODUCTION

The Code of Conduct and Ethics (“**Code**”) is developed to align with the various legal and regulatory obligations that apply to the Board of Directors (“**Board**”), Management and employees of PUC Berhad (“**PUC**” or “**Company**”) and its subsidiary companies (“**PUC Group**”).

B. PURPOSE

The purpose of this Code is to record the ethical and professional standards of corporate and individual behaviour expected of the Board, Management and employees of PUC Group. The Board establishes this Code for PUC Group together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

C. PRINCIPLES

PUC Group will strictly observe the principles of honesty, impartial and fairness with legal and moral standards and to uphold sincerity, integrity, responsibility and corporate social responsibility.

The Directors, management and employees of PUC Group shall comply all national, provincial and local laws, ordinances, regulations of their localities, as well as this Code. However, the Code should not be regarded as an exhaustive statement of their obligations and duties.

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

1. To establish a standard of ethical behaviour for Directors, management and employees (include whoever performs services for or on behalf of the PUC Group) based on trustworthiness and values that can be accepted, are held or upheld by any one person.
2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company.
3. To enhance the standards of honesty, integrity, ethical and law-abiding behaviour expected of Directors, management and employees;
4. To encourage the observance of those standards to protect and promote the interests of shareholders and all stakeholders;
5. To promote good business conduct and maintaining a healthy corporate culture that engenders transparency and fairness.

This Code aims to provide articulate acceptable practices and guidance to the Board, management and employees of PUC Group:

1. to act within the authority conferred upon them in the best interests of the Company;
2. act in the best interest of, and fulfil their fiduciary obligations to the Company and its shareholders.
3. to deal with customers, suppliers, related parties and stakeholders of PUC Group’s business with integrity;
4. to uphold the interest of shareholders and other stakeholders.

All Directors, Management and employees should strictly comply with high ethical standards.

PUC Group strictly prohibits:

1. any suspicious or illegal intelligence gathering, in order to protect the reputation of PUC Group;
2. occurrence of any unethical business behavior.

D. CODE OF CONDUCT AND ETHICS

(I) All Directors should at all times observe the following codes:

- Have a clear understanding of the objective and purpose, capabilities and capacity of the Company;
- Devote time and effort to attend meetings with well prepared on all the proposals as presented in Board papers;
- Ensure at all times that the Company is properly managed and effectively controlled;
- To stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- Being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- 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;
- Have access to the advice and services of the Company Secretary, who is responsible to the board to ensure proper procedures, rules and regulations are complied with;
- At all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- To disclose immediately all contractual interests whether directly or indirectly with the Company;
- No conflict of interest in the Company nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- At all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties;
- To exercise independent judgment and objectively and, if necessary, openly oppose if the vital interest of the Company is at stake;
- Give a fair and balance view. Deliberate all proposals rationally before put to vote;
- Practise highest level of integrity and ethics;
- Adhere to the anti-corruption laws and regulations;
- Manage key corruption risks;
- To provide assurance to internal and external stakeholders on regulatory compliance:
- Tone from the top – organisation's stance against corruption in business;
- Efforts to improve corruption risk management framework, internal control system, review and monitoring and training and communication;

(II) The management should at all times observe the following codes:

- Regular review and evaluate policies and procedures on anti-corruption;
- Regular review and evaluate anti-corruption programme;
- Plan, establish, implement and maintain monitoring programme;
- Conduct audit of anti-corruption measures;
- Monitor performance of employees on anti-corruption policies and procedures;
- Disciplinary proceedings against non-compliances;
- Develop and disseminate internal and external training and communications, in proportion to operations;
- Policy on anti-corruption publicly available and communicated to personnel and business associates;
- Provide employees and business associates training on PUC Group anti-corruption policy and procedures;
- Practises highest level of integrity and ethics;
- Complies with anti-corruption laws and requirements;

- Manages key corruption risks.

(III) To achieve this target, all employees shall assume the following responsibilities:

- conduct themselves in a professional and respectful manner and not take improper advantage of their position;
- act in good faith, honest, impartial, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated and legitimate business development;
- Produce quality products and protect the environment in accordance with the safe operation regulations of PUC Group;
- Sincerely and equally treat all of the customers and suppliers;
- Avoid conflict of personal interests and corporate interests;
- Protect and proper use of internal information, materials, property and resources of the Company;
- Non-public information shall keep in confidential and is not for private interests;
- Adhere to the anti-corruption laws and regulations.

(IV) When dealing business on behalf of PUC Group, each employee shall adhere to high ethical standards to maximize its benefits. The following situations shall be handled with extra-care to avoid violation of the rules and regulations of PUC Group:

- Employees shall not accept or claim any amount of gratification, cash, gifts, privileges or hospitality, unless it is consistent with normal business practices, such as normal business meals, annual trips, service award, etc.;
- Employees shall strive to avoid or shall accurately report any potential conflicts of interest between individuals and PUC;
- Without permission, employees shall not disclose confidential information to external person or employees within the Group who shall not be informed with such information;
- When reporting or handling the financial statements, employees shall not tamper, falsify, deliberately omit, hide the fact;
- If the staff has any questions in relation to the ethics standards of PUC, please ask supervisors or managers for a clear guide;
- It is the responsibility of every employee to protect the tangible and intangible assets of the Group; and
- Adhere to the anti-corruption laws and regulations.

(V) Non-discriminating principles

As part of its Code, PUC Group insists that everyone is equal and mutual respect.

PUC Group will not discriminate against suppliers, employees or stakeholders for the race, colour, age, sex, religion, disability or nationality etc.

(VI) Gratification and Gifts

Any form of corruptly gives, agree to give, promises, offers or corruptly accepts or obtains, or agrees or attempts to obtain, request, demand from any person, for himself or for any other person of any gratification/ gifts with economic values from suppliers, representatives of suppliers or potential suppliers is prohibited.

The selection of suppliers, partners is based on competitive prices, reliable quality and timely delivery.

Strictly forbid:

- a) Bribery, procurement or preferential condition;
- b) Bribery, procurement or other actions to customers to achieve the sales target;

- c) Bribery and money laundering.

E. ANTI-CORRUPTION / BRIBES POLICY

To achieve high standards of business, professional and ethical conduct, the Directors, management and staff (whether acting in their own capacity or on the Company's behalf) are committed to refrain themselves from authorising offering, giving or receiving any gratification, gifts and any other form of benefits (in kind, cash, advantages and/or favour and etc) from persons or entities who deal with the Company where the gratification or gift would reasonably be expected to influence the performance of the Directors', management's and employees' duties in any aspect.

To achieve a clear zero-tolerance policy in the event of bribery or corruption. In this regard, PUC Group shall put in place an Anti-Corruption Policy, which covers the areas of bribery, gratification, gifts and business courtesies, events and arrangements, facilitation payment, use of middlemen, use of lobbyists and gifts and arrangements for public authorities.

The Code is communicated and published to PUC Group's employees for their reference and guidance on appropriate business conduct. PUC Group's suppliers and other stakeholders are encouraged to raise incidents of any non-compliance to PUC Group.

F. ANTI-MONEY LAUNDERING

Directors, management and employees:

1. should not involve in any form of money laundering activities;
2. be aware of the applicable anti-money laundering laws;
3. be mindful of the risk of the Company's business being used for money laundering activities; and
4. to raise any suspicious transactions.

G. REVIEW OF THE CODE

This Code shall be reviewed periodically and updated taking into consideration the needs of the Group as well as the development in rules and regulations that may have an impact to ensure they remain consistent with the relevant standards of corporate governance.

- H. This Code will be published on PUC's official website.

– END OF CODE OF CONDUCT AND ETHICS –