



# **CODE OF BUSINESS CONDUCT**

**CODE**

**20.0405**

**17<sup>th</sup> APRIL 2019**

*Version Number* : 00

# MESSAGE FROM OUR PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER

Dear Colleagues,

This Code of Business Conduct introduces standards of conduct to guide us all in our daily business lives. I believe that living up to the spirit of this Code of Business Conduct, and striving for and maintaining high levels of integrity and ethics in our behaviour and action will empower our Group and our business and provide a platform from which our collective and individual successes can take flight.

As these standards are of the utmost importance to our reputation, credibility and success, each of us is required and must be committed to abide by them and any non-compliance will be viewed seriously and met with the appropriate consequential action.

These standards of business conduct form part of our sustainability pillar in our corporate strategy and each of us must read and understand this Code of Business Conduct. Your views are important to us and you should feel free to let us know how the standards in this Code of Business Conduct can be improved.

With your unwavering support and commitment, I am confident that our Group will successfully build a reputation of integrity and trustworthiness while staying true to our shared values of **Ethical** behaviour, **Nobility** of our deeds, **Reliability** of our word and **Accountability** in our actions.

I thank you for joining me in this effort.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dato' Mazlin Junid', with a stylized flourish at the end.

Dato' Mazlin Junid

## OBJECTIVE

The Company is firmly committed to conduct business with the highest level of integrity and ethics that is critical to the sustainability of our corporate strategies and aspirations.

## SCOPE

This CBC sets out the Company's policies and standards of integrity for all employees within our group of companies to uphold.

This CBC must be read in conjunction with the Company's internal policies and procedures, as may be amended from time to time.

## REFERENCES

- NIL-

## DEFINITION & ABBREVIATIONS

TERM	DEFINITION
CBC	means this Code of Business Conduct, as may be amended from time to time
Company	means each of ENRA Group Berhad and its subsidiaries
ENRA	means ENRA Group Berhad
ENRA Group	means ENRA Group Berhad and its subsidiaries
Group Legal	means the Legal Department of ENRA Group Berhad

## RECORDS

1: - N/A-

## **PROCESS**

### **1.0 Introduction**

#### **1.1 Standards of integrity**

This CBC sets out the policies of ENRA expressing high standards of integrity that all employees of and companies within the ENRA Group must be and are committed to uphold.

#### **1.2 Inconsistency with local laws**

If this CBC is inconsistent with any local laws applicable to any company within the ENRA Group, such laws will take precedence to the extent of such inconsistency.

#### **1.3 Upholding integrity**

ENRA Group and its employees must comply with all applicable laws, rules and regulations and act with high standards of integrity with no exceptions.

All actions taken must be legal and lawful.

All conduct in doing business, carrying out job functions and performing duties must be carried out in a responsible, accountable, honest, sincere and trustworthy manner.

This CBC must be read and understood by all Directors, officers, employees, secondees, trainees, interns, contract personnel, temporary personnel and all other person acting on behalf or for the benefit of ENRA Group.

#### **1.4 Judgement**

This CBC cannot be expected to cover all situations and can only be a guide in what to do. Each person within the ENRA Group must choose what he or she truly and honestly believes to be the right thing to do aided by common sense and best judgement. If in doubt, these questions may be pertinent:

1. What are our internal policies, rules and procedures that are applicable to this situation?
2. Am I comfortable doing what is required of me or proposed?
3. Would I be comfortable explaining my conduct or behaviour to the Board of Directors, my superiors, the relevant authorities, my family, my friends and/or the media?
4. Who would be affected by my conduct and/or behaviour? Would my conduct and/or behaviour be unfair to them?

Further guidance if required, ought to be sought from management and/or Group Legal.

If any supervisory employee requires his/her subordinate to do anything in contravention of this CBC, the subordinate employee must raise the matter immediately with management and/or Group Legal.

## **1.5 Whistleblowing**

Each employee of the ENRA Group has a duty to report a breach of applicable laws, rules and regulations and this CBC, even one that is suspected. Such wrongdoing includes those that may have been committed by third parties dealing with the ENRA Group.

There will be no retaliation against any employee reporting such a breach or suspected breach.

Please refer to ENRA Group's Whistleblowing Policy. Further guidance if required, ought to be sought from management and/or Group Legal.

## **1.6 Results of a breach**

As breaches of this CBC may have serious repercussions for the ENRA Group, action taken against the wrongdoer may be disciplinary, including termination of employment, civil and/or referred to the relevant authorities for further prosecutorial action under criminal laws.

## **1.7 Semi-annual confirmation**

Every half year, all employees of and companies within the ENRA Group must confirm their compliance with this CBC in writing. In doing so, each employee and company will be re-affirming their commitment and adherence to this CBC and re-declare any conflicts of interest.

## **2.0 Integrity**

### **2.1 Conflicts of interests**

#### **2.1.1 Defining conflict**

As a general rule, all conflicts of interests must be avoided.

A conflict of interest is a situation where an employee's position or responsibilities within the ENRA Group presents an opportunity for him or someone close to him to obtain personal gain or benefit (apart from the normal rewards of employment) or where there is scope for him to prefer his personal interests, or of those close to him, above his duties and responsibilities to ENRA Group.

A situation can be a conflict of interest if it provides an opportunity for personal gain or benefit, whether or not that gain or benefit is actually obtained.

A potential conflict of interest may arise if an employee is in a situation that can develop into an actual conflict of interest.

#### 2.1.2 Disclosure

An employee must inform management of any situation that is, or may appear as, an actual or potential conflict of interest and seek management's prior written authorisation prior to such conflicts happening.

Advice ought to be sought from management or Group Legal, if there are uncertainties as to how to manage a conflict of interest or potential conflict of interest.

Directors of companies within ENRA Group must disclose conflicts of interests or potential conflicts of interests to, and seek formal approval from, the Board of the company prior to such conflicts happening.

#### 2.1.3 Keeping record

All supervisory employees to whom conflicts or potential conflicts of interests are reported must notify all such conflicts or potential conflicts of interests to Group Legal.

To manage conflicts of interests transparently and effectively, Group Legal will maintain a record of such conflicts reported and the manner in which they have been disclosed, managed and/or resolved.

#### 2.1.4 Common instances of conflicts of interests

##### A. Family or personal relationships

An employee must disclose if he has any relative (including those arising by marriage):

1. working in ENRA Group;
2. working or performing services for, or having a material financial interest in, any competitor, supplier, customer or other business with which the ENRA Group has significant dealings.

Intimate relationships between employees can also lead to a conflict or perceived conflict of interest and such employees should discuss the matter with management.

B. Financial interests

An employee must disclose any material financial interests in a competitor, supplier, customer or other business with which a company within the ENRA Group has significant dealings.

“material financial interest” means any financial interest that may, or may appear to, influence one’s judgement. It does not include publicly traded stocks, shares, funds and similar pooled or public investments, where the employee has no say in the management of the company, or business or investment decisions.

An employee must not hold material financial interests in:

1. a supplier, customer, any person or business if he has any involvement in ENRA Group’s dealings with that supplier, customer, person or business or supervises anyone who does; and
2. a competitor of ENRA Group, or any business with activities against ENRA Group’s interests.

C. Other employment or vocation

An employee must not work for or on behalf of another without the prior written approval of ENRA Group. This includes taking on a second job, serving as director or consultant, or otherwise performing services for another outside ENRA Group (whether charitable, non-profit or otherwise). Unpaid voluntary work carried out in the employee’s own time that does not interfere with his duties and obligations to ENRA Group is excluded.

D. Taking opportunity

An employee must not use information gained from employment, or take advantage of any opportunity, for his personal gain or benefit or for those close to him, without prior written approval from higher management.

## 2.2 Bribery and Corruption

### 2.2.1 Corrupt practices

It is unacceptable for the ENRA Group, its employees and business partners to be involved or implicated in any way in corrupt practices.

#### *Examples of corrupt practices*

Corrupt practices include (but are not limited to):

1. offering or making an unauthorised payment, or authorising an improper payment (cash or otherwise) to a public official, or any related person;
2. inducing a public official to do something illegal;
3. ignoring or failing to report any improper payment or other inducement;
4. offering or receiving any gift, payment or other benefit in relation to gaining business or awarding contracts;
5. setting up an unrecorded fund, such as a secret cash account, for any purpose;
6. inducing, facilitating, or overlooking someone else's breach of this standard; or
7. permitting an agent or representative of any company within the ENRA Group to engage in improper conduct.

### 2.2.2 Bribery

A bribe is any gift, payment or other benefit offered in order to secure an improper advantage (whether person or business related). A bribe need not have been paid. It is enough that it is asked for or offered.

An employee must not:

1. offer, promise or give any gift, payment or other benefit to any person directly or indirectly, to induce or reward improper conduct or influence any decision by a public official to his or ENRA Group's advantage; and
2. solicit, accept or receive any gift, payment or other advantage from any person directly or indirectly as a reward or inducement for improper conduct.



“***improper conduct***” means performing or not performing a business activity or public function in breach of an expectation that it will be performed in good faith, impartially or in line with a duty of trust.

Bribing a public official is a crime in almost every country. In many, it is also a crime to bribe employees or agents engaged in private business.

### 2.2.3 Extra-territorial laws

Anti-bribery laws in many countries have extra-territorial effect, so it will be a crime in those countries for their nationals to pay bribes abroad.

### 2.2.4 Facilitation payments

These are small payments made to smooth or speed up performance by a low-level official of a routine action to which the payer is already entitled. They are illegal and a crime in most countries.

An employee must not make facilitation payments directly or indirectly, other than where absolutely necessary to protect the health, safety or liberty of any employee.

Please refer to ENRA Group’s Whistleblowing Policy. Further guidance if required, ought to be sought from management and/or Group Legal.

## 2.3 **Entertainment and Gifts**

### 2.3.1 Usually acceptable entertainment and gifts

Offering and accepting business entertainment or gifts is usually acceptable when what is given is modest, reasonable, appropriate, lawful and do not involve any public or government sector, organisation or individual.

Occasional drinks and meals, attendance at sports, theatre or cultural events and gifts that are modest are usually acceptable.

### 2.3.2 Self-check

When offering or accepting, an employee must ask himself the following questions:

1. is the intention only to build or maintain a business relationship or offer normal courtesy, or is it to influence the recipient’s objectivity in making a specific business decision?
2. is it of small or insignificant value and infrequent?
3. is it legal in my country and in the country of the other party?

4. would I be embarrassed if my managers, colleagues or anyone outside the ENRA Group knew about the entertainment or gift?

### 2.3.3 Significant value

Any entertainment or gifts that are not of small or insignificant value must be refused or returned, as the case may be, or accepted only on the basis that such gifts become the property of ENRA Group. In the latter case, an employee must seek the prior approval of management before accepting the gifts.

### 2.3.4 Personal payment

Opting to personally pay for gifts and entertainment to avoid having to seek prior approval is wrong.

### 2.3.5 Unacceptable entertainment and gifts

The following entertainment and gifts are strictly not allowed if they:

1. are illegal or prohibited by the other party's organisation;
2. involve parties engaged in a tender or competitive bidding process;
3. may have, or may be seen as having, a material effect on a transaction involving any company within ENRA Group;
4. are a gift of cash or cash equivalent;
5. are actively solicited or demanded;
6. are offered for something in return; or
7. are inappropriate (disrespectful, indecent, sexually explicit or might otherwise reflect poorly on ENRA Group having regard to local cultures and customs).

## 2.4 **Insider Dealing and Market Abuse**

### 2.4.1 Market abuse

No employee is allowed to deal on the basis of inside information or engage in any form of market abuse.

“**market abuse**” means conduct which adversely affects a financial market and falls below the standards expected by regular users of that market. Market abuse and insider dealing are illegal. Such conduct includes:

1. improper disclosure of inside information;
2. dealing in securities on the basis of inside information; and
3. misuse of inside information.

#### 2.4.2 Insider trading

An employee must not deal in the securities of ENRA or any other any publicly traded company (within ENRA Group) or encourage others to do so while having inside information relating to that company.

“**securities**” include shares, stocks, options, warrants, debts, bonds, notes or other investments whose value is determined by the price of such securities.

“**deal**” includes any sale, purchase, transfer (even by way of gift) or other derivatives involving securities.

#### 2.4.3 Care in handling inside information

All employees must exercise the utmost care and caution when handling inside information as its misuse can result in civil or criminal penalties for ENRA Group and the individuals concerned.

### 3.0 **Workplace Environment**

All employees must treat each other as well as ENRA Group’s business partners inclusively, with dignity and with respect.

#### 3.1 **Equality and diversity**

All employees must treat each other as they expect to be treated and respect different characteristics and opinions.

Any decision on recruitment, development, advancement or retirement of any employee must not be influenced by race, colour, gender, age, disability, sexual orientation, class, religion, politics, smoking habits, or any other characteristic protected by law.

#### 3.2 **No harassment and bullying**

This includes any form of sexual, verbal, non-verbal and physical behaviour which is abusive, humiliating or intimidating and such behaviour must be reported directly to management.

#### 3.3 **Employee well being**

All employees must adhere to ENRA Group’s policies on health and safety and cooperate with each other and ENRA Group to ensure that each employee’s health and safety is maintained and improved.

## **4.0 Record Keeping**

### **4.1 Accurate recording**

Honest, accurate and objective recording and reporting of financial and non-financial information is essential to ENRA Group's reputation, its ability to meet legal, tax, audit and regulatory obligations and for supporting its business decisions and actions.

All data created must accurately reflect the transactions and events covered in full compliance with all applicable laws, accounting requirements and standards and internal policies and procedures, relating to financial and other information reporting.

### **4.2 Type of data**

All data includes those that are written, in electronic form or in any other medium.

### **4.3 Falsifying records**

Falsifying records or misrepresenting facts are strictly prohibited and can be illegal and/or a crime possibly resulting in civil and/or criminal liabilities.

### **4.4 Conforming to standards**

All financial data must conform both to generally accepted accounting principles and standards and to internal accounting and reporting policies and procedures.

### **4.5 Documenting transactions**

All transactions and contracts must be properly authorised at all levels and accurate and completely recorded.

All contracts entered into must be in writing, approved, signed and recorded.

All documentation in connection with transactions entered into, carried out or undertaken must be retained with all relevant correspondences for possible inspection by external auditors, internal auditors, tax, customs or other authorities.

## **5.0 Corporate Assets**

### **5.1 Protecting assets**

All employees must ensure that ENRA Group's assets are not damaged, misused, misappropriated or wasted and must report their abuse or misappropriate by others.

“**assets**” include physical and intellectual property, funds, time, proprietary information, corporate and business opportunity, equipment and facilities.

“**intellectual property**” includes patents, copyrights, trademarks, design rights and other proprietary information.

## **5.2 Protecting funds**

All employees must protect funds of ENRA Group and safeguard them against misuse, fraud and theft. All claims for expenses, vouchers, bills and invoices must be accurate and submitted in a timely manner.

“**funds**” means cash or cash equivalent belonging to ENRA Group including money advanced and company credit cards.

## **5.3 Third party assets**

An employee must not knowingly:

1. damage, misuse or misappropriate the physical assets of third parties;
2. divulge, misuse or circulate in any form or manner any confidential information belonging to third parties in violation of their rights or confidentiality provisions binding on ENRA Group;
3. infringe valid patents, trademarks, copyrights or other intellectual property in violation of third parties’ rights or confidentiality provisions binding on ENRA Group; or
4. perform unauthorised activities which adversely impact the performance of third parties’ systems or resources.

## **5.4 Company equipment**

Use of company equipment and facilities are generally not permitted other than as set out below and in line with internal policies and procedures.

Limited, occasional or incidental personal use of company equipment and systems issued or made available to the employee is permitted, provided that:

1. it is reasonable and does not interfere with the proper performance of his job;
2. it does not have an adverse impact on the performance of ENRA Group systems;
3. it is not for any illegal or improper purpose; or

4. reasonable and brief personal phone, email and internet use is permitted save for improper uses (including but not limited to):
  - (a) communication that is derogatory, defamatory, sexist, racist, obscene, vulgar or otherwise offensive;
  - (b) improperly disseminating copyrighted, licensed, or other proprietary materials;
  - (c) transmitting unauthorised chain letters, adverts or solicitations; or
  - (d) visiting inappropriate internet site.

## **6.0 Competition and Anti-Trust**

### **6.1 Competition Law**

Competition law impacts on many aspects of ENRA Group's business activities including relationships with suppliers, customers, distributors, competitors, our negotiation and drafting of contracts and decisions on pricing strategy and trading conditions.

Malaysia and many other countries have laws against anti-competitive practices. These laws are complex and differs from one country to another but failure to comply with them can have serious consequences for ENRA Group.

### **6.2 Parallel behavior**

Parallel behaviour with competitors is not anti-competitive by default, but there must not be collusion with competitors to agree to:

1. fix prices or any element or aspect of pricing (including rebates, discounts, surcharges, pricing methods, payment terms or the timing, level or percentage of price changes);
2. fix other terms and conditions;
3. divide up or allocate markets, customers or territories;
4. limit production or capacity;
5. influence the outcome of any competitive bid process; or
6. agree to a collective refusal to deal with certain parties.

“**agreement**” in this context includes:

- (a) written or oral agreement;
- (b) understanding or practice;
- (c) a non-binding agreement or action taken with a common understanding;
- (d) an indirect agreement brokered by a third party; or
- (e) situations where competitors share directly or indirectly, information with a view to reducing competition.

### **6.3 Meeting competitors**

Meetings or discussions with competitors should be treated with extreme caution and carefully recorded. Such meetings and discussion should cease if they are or may be seen as anti-competitive.

## **7.0 Money Laundering**

### **7.1 Money Laundering Activity**

This involves the possessing, or dealing with, the proceeds of crime and includes concealing the identity of illegally obtained money so it appears to have come from a lawful source.

No employee must engage or cause ENRA Group to engage in any transaction known or suspected to involve the proceeds of crime or otherwise be knowingly involved directly or indirectly in money laundering activity.

Breaching anti-money laundering laws can attach both to companies and the individuals concerned.

Any suspicious transaction or activity by any customer or third party must be promptly reported to management.

Situations that ought to raise suspicions include:

1. payments in non-invoice currencies;
2. substantial payments in cash or cash equivalents;
3. payments from multiple sources to satisfy a single invoice;
4. payments to or from an account that is not the normal business relationship account;
5. requests for overpayments;

6. payments made by, or requests to supply our products to, a non-contract party; or
7. requests to deliver our products to an unusual location or to adopt an unusual shipping route.

## **7.2 Anti-terrorism**

No employee shall knowingly assist in financing or otherwise supporting terrorist activity. All employees must ensure that all activities do not inadvertently breach any relevant anti-terrorist financing measures.

[END]