

TSH RESOURCES BERHAD
Directors' Code of Conduct and Ethics

1. INTRODUCTION

This Code of Conduct and Ethics ("Code") applies to all Directors of TSH Resources Berhad ("TSH" or "the Company") and its subsidiaries ("TSH Group" or "the Group").

The principle of this Code is based on principles set out by Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia) in relation to sincerity, integrity, responsibility and corporate social responsibility.

2. DEFINITIONS

In the context of this Code, a company director means any person occupying the position of director of a corporation by whatever name called, and includes a person in accordance with whose directions and instructions the directors of a corporation are accustomed to act, and an alternate or substitute director. A director also includes both executive and non-executive director as well as executive and non-executive chairman.

3. OBJECTIVES

This Code is formulated to enhance the standard of corporate governance and corporate behaviour with a view to achieving the following objectives:

- a) Directors to establish standards of ethical conduct based on acceptable belief and values one upholds.
- b) Directors to uphold the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing a company.
- c) Directors to act in good faith having regards to the best interest of TSH Group and its stakeholders.
- d) Directors to discharge and perform duties to the Company/Group, its shareholders and other stakeholders by observing high standards of ethical behaviour and abiding by all laws, rules and regulations.

4. FUNDAMENTAL PRINCIPLES

In the performance of his duties, a director should at all times observe the followings:

a) **Corporate Governance**

- (i) Should have a clear understanding of the aims and objectives, capabilities and capacity of the company;
- (ii) Should 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;
- (iii) Should ensure at all times that the company is properly managed and effectively controlled;

- (iv) Should stay abreast of the affairs of the company and be kept informed of the company's compliance with the relevant legislation and contractual requirements;
- (v) Should insist on being kept informed on all matters of importance to the company in order to be effective in corporate management;
- (vi) Should limit his directorship of companies to a number in which he can best devote his time and effectiveness; each director is an own judge of his abilities and how best to manage his time effectively in the company in which he holds directorship;
- (vii) Should 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;
- (viii) Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the company;
- (ix) Should disclose immediately all contractual interests whether directly or indirectly with the company;
- (x) Should neither divert to his own advantage any business opportunity that the company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- (xi) Should 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; and
- (xii) Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the company is at stake.

b) Relationship with Shareholders, Employees, Creditors and Customers

- (i) Should be conscious of the interest of shareholders, employees, creditors and customers of the company;
- (ii) Should at all times promote professionalism and raise competency of management and employees; and
- (iii) Should ensure adequate safety measures and provide proper protection to workers and employees at workplaces.

c) Social Responsibilities and the Environment

- (i) Should 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 future or again to carry on business as the case may be;
- (ii) Should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with governmental authorities or regulatory bodies;
- (iii) Should ensure effective use of natural resources, and to improve quality of life by promoting corporate social responsibilities;
- (iv) Strive to contribute towards the growth and sustainability of TSH Group; and
- (v) Should be more proactive to the needs of the community and to assist in society-related programmes.

5. CONFLICT OF INTEREST

- a) Directors must not use their position or knowledge gained directly or indirectly in the course of their duties for private or personal advantage.

- b) Directors are required to declare immediately, the nature and extent of any conflict of interests, whether direct or indirect with TSH or any of its subsidiaries, and to abstain themselves from any deliberation and decision relating thereto.

6. ANTI-BRIBERY AND CORRUPTION

- a) Directors should refrain themselves from offering, giving or receiving any gifts and other form of benefits from persons or entities who deal with the Group where any such gifts are being made in order to influence the performance of the Director's duties in any aspect.
- b) Directors must at all times, comply with TSH Group's Anti-Bribery and Corruption Policy and Gifts and Hospitality Policies and Procedures.

7. PROPER USE OF COMPANY'S ASSETS

Directors shall take reasonable care to safeguard the Group's assets, including its physical premises, equipment and facilities as well as the records and data or information. The Group's assets shall only be used in a safe, ethical and lawful manner and shall not be used for pursuing improper personal gain or opportunity.

8. INSIDER TRADING

Directors who possess inside information shall not:

- a) deal in securities; or
- b) communicate such information to any unauthorised persons, for the benefit of himself or any other persons.

When dealing in the securities, a Director shall comply with the relevant laws, rules, regulations and guidelines governing trading in securities.

9. ANTI-MONEY LAUNDERING

The Group strictly prohibits money laundering which is to disguise or transform moneys obtained from unlawful activities and corruption, into ostensibly "legitimate" assets.

Directors are not to tolerate any form of money laundering activities in the Group.

Appropriate measures shall be undertaken to prevent the Group's financial transactions from being used by others to launder money.

Directors need to be mindful of the money laundering risk and to promptly raise any suspicious transactions to the Audit Committee of TSH.