

# **CODES OF ETHICS AND CONDUCT**

**CPE TECHNOLOGY BERHAD**

Registration No. 202101015732 (1416032-X)

## **CODES OF ETHICS AND CONDUCT**

### **1. INTRODUCTION**

The Board, the Management and employees of CPE TECHNOLOGY BERHAD (“CPE” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) are committed to observe and maintain a corporate culture in an ethical manner and to uphold the highest standards of professionalism in their legal business conduct within the Group in line with good corporate governance practices. This Code of Ethics and Conduct (the “Code”) shall outline the fundamental principles and standards of business ethics and conduct of the Group.

### **2. OBJECTIVE**

The Code shall serve as a basic guide for the Group in defining their ethical standards and conduct at work their day-to-day operation activities and shall be adhered at all levels of the Group. The Code is intended not to be exhaustive hence it shall be reviewed from time to time and each level of the Group is expected to behave or conduct while carrying out their duties. For all intents and purposes, the Group shall 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.

### **3. APPLICABILITY**

The Code is applicable to all employees (including full time, probationary, contract and temporary staff) (“Employees”) and Directors of the Group. Each Employee has a duty to read and understand the Code. Violation of any of the Code’s provisions can result in disciplinary action, including termination of employment. If a Director requires further clarification on the Code, the Director may refer or highlight any concerns to the Chairman of the Board or the CEO & MD, whereas, for an Employee, the Employee may refer or highlight any concerns to the immediate superior, Head of Department or the HR Department

### **4. CORE AREAS OF ETHICS & CONDUCT**

#### **a) *Conflicts of Interest***

The Directors and Employees should maintain trust by discouraging and avoiding being involved in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Group. Their position in course of their duty and employment should not be misused for personal gains and benefit whether directly or indirectly. In addition, a Director or an Employee shall not take up external duties or positions that could affect, or be perceived to affect their judgment to act in the Group's best interest. If there is any, the Group requires the relevant person to disclose actual, potential, and perceived conflicts of interest and to resolve them in a fair and transparent manner and the record is kept properly.

**b) Confidential Information**

The Group values and protects all private, confidential or proprietary information. As such, all Directors and Employees are expected to perform their utmost caution and due care be it an internal or external source of information to avoid any leakage of information with a confidential and sensitive nature relating to the Group. Unless the disclosure is duly authorized, legally mandated and publicly announced, the material information must be held in the strictest confidentiality. Should a Director or an Employee knows of material information affecting the Group, the person shall refrain from disclosing the information outside or using the information acquired to their personal advantage directly or indirectly.

**c) Insider Information and Securities Trading**

A Director or Employee shall not use, for their personal gains, the price-sensitive non-public information, which can affect the prices of the securities of the Company and/or related listed companies (“**Insider Information**”). The Directors and Employees are prohibited to trade in securities or to divulge the information to others, including close family and friends, to trade in securities of the Company and/or related listed companies until the Insider Information is publicly released. The Directors or Employees shall also not trade in securities in any other companies where they have Insider Information which they obtain in the performance of their duties.

**d) Protection of Assets and Funds**

The Directors and Employees must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain. The protection of asset shall also cover the Group’s resources including all the Group’s intellectual properties, methodologies, materials, systems of instructions developed in the course of employment, confidential information, all office equipment, computer systems and data, trademarks, know-how and other operating assets. As the resources are intended for legitimate business purposes, Directors and employees are expected to use these resources in a responsible and ethical manner.

**e) Business Records and Control**

The Group recognises that financial integrity is fundamental in maintaining the trust of its key stakeholders. Accurate, timely and reliable records are essential to managing the affairs of the Group in a transparent manner. All books, records and accounts should conform to applicable legal requirements and accounting principles and to all related laws and regulations. It is the responsibility of each Employee to ensure and maintain accurate and adequate business records. Hence, no unauthorized, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances.

**f) Compliance to the Law**

The Group shall continuously observe and comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the laws, rules and regulations including the ethical and technical requirements of any relevant regulatory or professional body that are

applicable to their positions and/or work. The Group reserves the right to report any incompliance and actions or activities suspected of being criminal in nature to the relevant authorities. In addition to the above, the Directors and Employees are required to keep abreast with the latest development and changes of all relevant laws, rules and regulations by attending seminars, internal training and workshop.

**g) *Personal Gifting***

No personal gifts, favours, entertainment or services, in cash or kind, that will or will appear to influence objective and fair business decisions, will be accepted or provided in line with the provision of the Group's Anti-Bribery and Corruption Policy. It should only be offered or received only sparingly and only in ways that are legitimate and approved by the Group. The gifts, favours, entertainment or services that are deemed as not given to influence the Directors' or Employees' performance of duties include normal business courtesies (meals or entertainment), token gifts which are occasional, gifts during festive or special occasions and gifts from social functions attended by the Directors or Employees on behalf of the Group, are permissible and should be declared to the HR Department, where required.

**h) *Health and Safety***

The Group will use its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices to be commensurate with the nature of the Group's businesses and activities. Such a commitment in return requires that all Directors and Employees understand and abide by the Group's policies and procedures. All employees are also insured under a medical/surgical insurance policy in addition to the compulsory coverage provided for under the Employee's Social Security Act 1969.

**i) *Discrimination and Harassment***

The Group will not tolerate abuse or harassment of the employees or anyone else they work with on the basis of nationality, gender, age, religion, race, sexual orientation or disability. It is the Group's policy to provide all employees with a working environment free from any form of harassment, bullying or intimidation of any kind. Any questions concerning issues of such should be directed either to the Employees' superior or the HR Department. All such reports and/or complaints shall be treated with the strictest confidence.

**j) *Outside Interest***

Directors and Employees shall not engage in an outside interest that will undermine the performance of the Directors and Employees or bring disrepute to the Group. It is essential to avoid situations where the Directors and Employees' loyalty becomes suspect even though they carry in their personal capacity at their own risk and cost. The Directors and Employee should declare to manager in charge of any other directorship, having a second job or working as a consultant in other organisation and having a financial interest in existing or potential competitors, customers or suppliers.

***k) Misconduct***

No Director or Employee is to be involved in or abet any activity that is deemed by the Group to be an act of misconduct (includes the use and abuse of drugs).

**5. REVIEW OF THE CODE**

The Board will monitor compliance with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate.

**6. WAIVER OF THE CODE**

Waiver of the Code may be made by the Board or the appropriate Committee of the Board. Waiver of the Code may be granted on a case-by-case basis and only in extraordinary circumstances.

**7. REPORTING, INVESTIGATION AND DISCIPLINARY ACTION ON VIOLATION OF THE CODE**

The Directors and Employees shall report any practices or actions believed to be inappropriate under this Code to their superior and the HR Manager. If it is appropriate, in view of the nature of the reported matter, reports of violations may be made directly to the higher levels including the Group Managing Director or Chief Executive Officer or whistle blow or report the concerns, in confidence through channel mentioned in the Group's Whistle Blowing Policy which is available on the Company's website at [www.cpetbhd.com](http://www.cpetbhd.com).

Approved by the Board on 29 December 2022.