

**PECCA GROUP BERHAD**  
**(Company No. 909531-D)**

**CODE OF ETHICS OF DIRECTORS**

**A. PREAMBLE**

The Board of Directors (the “Board”) of Pecca Group Berhad (the “Company”) has adopted the following Code of Ethics (the “Code”) for Directors of the Company and its subsidiaries (the “Group”). This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

**B. PRINCIPLE**

This Code is based on the core principles of integrity, transparency, accountability and corporate social responsibility.

**C. PURPOSE**

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

- i) To establish a standard of ethical behaviour for Directors based on acceptable belief and values.
- ii) To uphold the spirit of social responsibility and accountability in line with the legislation, regulations and guidelines governing a company.

No code or policy can anticipate every situation that may arise, or replace the thoughtful behaviour of an ethical Director. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Board, who may consult with internal or external legal counsel as appropriate.

**D. DEFINITION**

In the context of this Code, a Director means any person who holds the position of Director in the Group, irrespective of any designation used, including anyone who follows the directives and advice of a corporate Director and who usually takes action, as well as an in-turn or substitute Director. It includes executive and non-executive Directors as well as executive and non-executive chairpersons.

**E. CODE OF ETHICS**

In the performance of his or her duties, each Director must comply with the letter and spirit of the following codes:

**1. Corporate Governance**

- 1.1 Should have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- 1.2 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;

- 1.3 Should ensure at all times that the Company is properly managed and effectively controlled;
- 1.4 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;
- 1.5 Should insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- 1.6 Should 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;
- 1.7 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;
- 1.8 Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- 1.9 Should disclose immediately all contractual interests whether directly or indirectly with the Company;
- 1.10 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;
- 1.11 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
- 1.12 Should be willing to exercise independent judgement and, if necessary, openly oppose if the vital interest of the Company is at stake.

## **2. Relationship with Shareholders, Employees, Creditors and Customers**

- 2.1 Should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- 2.2 Should at all times promote professionalism and improve the competency of management and employees; and
- 2.3 Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

## **3. Social Responsibilities and the Environment**

- 3.1 Should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
- 3.2 Should ensure the effective use of natural resources and improve quality of life by promoting corporate social responsibilities; and

- 3.3 Should ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

**4. Compliance Standards**

- 4.1 Should communicate any suspected violations of this Code promptly to the Chairman of the Audit and Risk Management Committee; and
- 4.2 Violations will be investigated by the Board or by persons designated by the Board and appropriate action will be taken in the event of any violations of this Code.

**F. Code of Conduct**

In the performance of his or her duties, each Director must comply with the letter and spirit of the following codes:

**1. Human Rights**

- 1.1 The Company supports and respects human rights. The Company treats officers with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination. Officers should respect the personal dignity, privacy and rights of each individual they interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

**2. Health And Safety**

- 2.1 The Company provides a work environment that is safe, secure and free of danger, harassment, intimidation, threats and violence. The Company takes appropriate precautions to prevent injuries or adverse working conditions for each and every Officer. It is the responsibility of each and every Officer to adhere to the prescribed safety rules and acts as well as to raise any concerns which may represent a potential threat to health and safety. Officers are responsible for reporting injuries and unsafe work practices or conditions as soon as they being discovered or become known.

**3. Environment**

- 3.1 The Company conducts operations in a manner that safeguards health, protects the environment and conserves valuable materials. The Company is committed to protecting the environment by minimising and mitigating environmental impacts throughout the life cycle of operations. Officers should contribute to minimizing the use of finite resources, including energy, water and raw materials. Officers should minimise harmful emissions to environment, including waste, air emissions and discharges to water.

**4. Gifts, Gratuities and Entertainment**

- 4.1 Each and every Officer must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organisation with whom or with which the Company has, or is likely to have, business dealings.

- 4.2 Similarly, the Officers must not accept any other preferential treatment under these circumstances because their positions with the Company might be inclined to, or be perceived to, place them under obligation to return the preferential treatment.

## **5. Anti-Bribery**

- 5.1 Officers shall never offer, give, ask for, accept or receive any form of bribe. A bribe occurs when someone attempts to influence a decision by offering some form of undue or improper advantage, incentive or favour.

## **6. Company Records And Internal Controls**

- 6.1 The Company's records must be prepared accurately and honestly, both by accountants who prepare financial statements and by officers who contribute to the creation of business records. The Company takes obligation to maintain business records for operational, legal, financial, historical and other purposes seriously and takes appropriate steps to ensure that the content, context and structure of the records are reliable and authentic.

- 6.2 Reliable internal controls are critical for proper, complete and accurate accounting and financial reporting. Officers must understand the internal controls relevant to their positions and comply with the policies and procedures related to those controls to ensuring that effective and reliable business processes are in place.

## **7. Company Assets**

- 7.1 The Company's properties and assets should be managed and safeguarded in a manner which protects their values. Officers are accountable both for safeguarding all assets entrusted to them, including information resources, records, materials, facilities and equipment under their care or control, from loss, theft, waste, misappropriation or infringement and for using the assets to advance the interests of the Company. All officers have an affirmative duty to immediately report the theft, loss or misappropriation of any Company assets, including financial assets, physical assets, information assets and electronic assets to the management as stipulated under Violations of Code of Conduct below.

## **8. Time Allocation**

- 8.1 The Company expects each and every officer to give their fullest attention, dedication and efforts to their duties and the Company. Officers must avoid any personal, financial or other interest which may be in conflict with their duties and responsibilities to the Company.

## **9. Integrity and Professionalism**

- 9.1 Officers should remember that they are a reflection on the Company and are constantly being judged and otherwise appraised by everyone they come in contact with. All officers should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on Company's business.

## **10. Personal Appearance**

- 10.1 An Officer is expected to be suitably and neatly dressed so as to maintain an appropriate appearance that is business like, neat and clean, as determined by the requirements of the work area. Dress and appearance should not be offensive to customers or other officers.

- 10.2 Dress, grooming and personal cleanliness standards are important and contribute to the morale of all officers and affect the business image to the Company's customers and visitors.

## **11. Confidential Information**

- 11.1 All information obtained in the course of engagement and/or employment with the Company shall be deemed to be strictly confidential and shall not be disclosed to any third party. This measure applies to all officers both during and after the service with the Company.
- 11.2 Except with the permission of the Company, an Officer shall not make any unauthorised public statement, circulate, divulge or communicate with any customer, member of the public, media or government or statutory bodies on the policies or decision of the Company on any issue, or any other information or details in respect of the Company's business. This applies to disclosures by any medium, including the internet, social media sites, internet message boards and/or blogs. An Officer must take precautionary steps to prevent the unauthorised disclosure of proprietary or confidential information, including protecting and securing documents containing this information.
- 11.3 Personal records and remuneration including the Officer's own remuneration are classified as Private and Confidential information and shall not be divulged unless required by law or the stock exchange.

## **12. Compliance Obligations**

- 12.1 The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions which the Group operates. Officers are expected to understand and comply with the laws, rules and regulations that are applicable to their positions and/or work activities, including the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and the Malaysian Anti-Corruption Commission Act 2009. The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

## **13. Conflict of Interest**

- 13.1 The Company expects that the Officers will perform their duties conscientiously, honestly, and in accordance with the best interests of the Group.
- 13.2 Officers must take care to separate their personal roles from their Company positions when communicating on matters not involving the Company's business.

## **14. Fair Dealing**

- 14.1 All officers, customers, suppliers and any others who are related and have dealings with the Company shall be treated fairly and equally. Any ground of discrimination is strictly not allowed. The Company will compete effectively and fairly in the market which it operates. Moreover, the Company is obliged to ensure its operating activities and its relationship with any business partner is fair, transparent and honest. This includes any form of transaction or termination of relationship. All commercial transactions shall be recorded and documented. Corrupted practices are not allowed either directly or indirectly.

## **15. Anti-Money Laundering**

15.1 “Money Laundering” is the process by which persons or groups try to conceal the proceeds of illegal activities or try to make the sources of their illegal funds look legitimate.

15.2 The Group will to the best of its ability and knowledge conduct businesses with reputable customers with legitimate funds, for legitimate business purposes.

#### **16. Insider Dealing**

16.1 Officers are prohibited to trade in the Company’s securities affected by or on behalf of a person with knowledge of relevant but non-public material information regarding the Group.

16.2 Any person who commits insider trading, he/she may be subjected to certain criminal and civil actions under Malaysian Law which includes Capital Markets and Services Act 2007.

#### **G. Periodic Review**

This Code should be reviewed periodically by the Board in accordance with the needs of the Company and be communicated to all levels of officers the new changes.

The Company should disclose this Code in the Company’s website.

*(This Code was approved and adopted by the Board on 24 May 2018)*

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