

**Leform Berhad**

Code of Conduct and Ethics

**THIS POLICY IS TO BE CIRCULATED AND COMPLIED WITH WITHIN THE GROUP ONLY**

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## 1. Introduction

- 1.1 Leform Berhad (“**Leform**” or “**Company**”) and its group of companies (“**Group**” or “**Leform Group**”) have adopted the following Code of Conduct and Ethics (the “**Code**”) for all the Directors and employees of the Company the Group. Directors and employees are expected to comply and adhere to this Code. All Directors and employees of the Group shall be referred to as “**Officers**” hereon.
- 1.2 This Code is established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group. This Code stipulates the broad standards to guide our Officers to carry out their duties and responsibilities in an ethical manner.
- 1.3 This Code sets out the principles to guide standards of behaviour and business conduct when Officers deal with third parties. In this context, third-party refers to any individual or organisation the Officers comes into contact with during the course of their work, and includes actual and potential customers, competitors, suppliers, contractors, distributors, business contacts/partners, agents, advisers, regulators, government and public bodies and officials, shareholders, investors and the community in which the Leform Group operates in.
- 1.4 This Code is not a comprehensive guide that covers every ethical situation employees may encounter in their course of work. In any circumstance which is not covered by this Code or in case of any doubt, the employee shall refer to his or her Head of Department (“**HOD**”) or the Company’s Head of Human Resources Department for clarification or guidance.
- 1.5 This Code of Conduct shall be read together with Leform’s Anti-bribery and Anti-Corruption Policy and Whistleblowing Policy.

## 2. Objectives

- 2.1 This Code is formulated with the aim of achieving the following goals:
  - 2.1.1. To emphasize the Company’s commitment to ethics and compliance with the applicable laws and regulations;
  - 2.1.2. To commit the Officers in maintaining the highest standard of integrity and professionalism in order to protect the Company’s corporate image and reputation; and
  - 2.1.3. To ensure that our Officers exercise due care and are diligent in carrying out their duties and responsibilities and act in the best interest of the Company.

## 3. Scope

- 3.1 This Code applies to Leform Group’s directors (executive and non-executive), company secretaries, Officers, managers and employees (including full-time or permanent employees, part-time employees, employees on probation, trainees and interns, employees on secondment and personnel on fixed-term contracts (collectively, “**Employees**”).

## **4. Workplace Culture and Environment**

### **4.1. Human Rights, Equal Opportunity and Non-discrimination**

4.1.1 The Group supports and respects human rights. It upholds the principle of diversity of the workforce, equal opportunity, non-discrimination and fair treatment in all aspects of employment, including recruitment and hiring, compensation and benefits, working conditions, training, rewards and recognition, career development and retirement. Officers must strive to create a workplace where everyone is treated fairly and equally.

### **4.2. Health and Safety**

4.2.1. The Group provides a work environment that is safe, secure and free of danger, harassment, intimidation, threats and violence. The Group takes appropriate precautions to prevent injuries or adverse working conditions for each and every Officer by providing a safe and conducive work environment.

4.2.2. Each Officer shall be responsible to report any accident, injury, unsafe equipment and working condition to the Human Resource Department.

4.2.3. The Group shall provide appropriate safety and health training for its employees and each employee must obey and follow the safety processes at the workplace.

### **4.3. Harassment, Threat and Violence**

4.3.1 Lefrom seeks to provide a work environment where Officers are treated with respect and free from any form of harassment, threat, intimidation, violence or any other inappropriate behaviour.

4.3.2 Any Officer who is subjected to harassment or any employee who observes or becomes aware of any harassment, threat, intimidation, offensive or inappropriate behaviour should immediately report the incident to his/her immediate superior or to the Human Resource Department. All such reports shall be treated as confidential.

4.3.3 All complaints or grievances will be investigated and appropriate action will be taken to stop such conduct and prevent future occurrences.

#### **4.4. Drugs, and Prohibited Substances**

4.4.1. Officers are expected to perform their job duties free from the influence of any drug that could impair job performance or pose an unacceptable safety risk to the Officers or others. The Company, therefore, prohibits its Officers from working under the influence of, illegal drugs or controlled substances. In addition, the use, possession, distribution or sale of, illegal drugs or other controlled substances in the workplace (other than for approved medicinal purposes) is strictly prohibited.

#### **4.5. Environment**

4.5.1 The Group conducts operations in a manner that safeguards health, protects the environment and conserves valuable materials. The Group is committed to protecting the environment by minimizing and mitigating environmental impacts throughout the life cycle of operations.

### **5. Data Protection, Records and Assets of the Group**

#### **5.1. Data Integrity and Data Protection**

5.1.1. Leform Group strives to protect such confidential information and privacy of personal data. Personal data includes information of employees, such as employment, medical, financial, education and training records. It is the responsibility of the Company and individual employees to protect the information. Officers shall record, manage, store and transfer all data and records in compliance with applicable legal, tax, regulatory and accounting requirements.

#### **5.2. Group Records and Internal Controls**

5.2.1. Leform Group'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 Group takes an 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.

5.2.2. Officer who is handling cash and other company funds must maintain tight control in accordance with the standard operating procedure adopted by the Group. Each Officer is responsible to report any misuse of funds or any non-compliance immediately to their HOD or Managing Director/Chief Financial Officer. Reliable internal controls are critical for proper, complete and accurate accounting and financial reporting.

5.2.3. Officers must understand the internal controls relevant to their positions and comply with the standard operating procedures and policies related to those controls to ensure that effective and reliable business processes are in place.

### 5.3. Use of Company Assets and Resources

- 5.3.1. Leform provides its Officers a variety of resources and assets to deliver their work. The Group's properties and assets ("**Group 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 our information resources, records, materials, facilities and equipment under your care or control, from loss, theft, waste, misappropriation or infringement and for using the assets to advance the interests of the Group.
- 5.3.2. All Officers have an affirmative duty to immediately report the theft, loss or misappropriation of any Group Assets, including financial assets, physical assets, information assets and electronic assets to the management as stipulated under Violations of Code of Conduct below.
- 5.3.3. Group Assets are meant to be used for business purposes and not for personal reasons and all Group Assets must be returned to the respective departments when no longer in usage.

### 5.4. Confidential Information

- 5.4.1. Officers are required to protect the Group's confidential information and guard them against unauthorised disclosure or use. Officers are also required to protect the confidential information of the third party which they have access to in the course of their work. Confidential information includes, but is not limited to, data and technical know-how, business plan and budget, product design, customer list and information, information on current and future projects and work processes, and any non-published financial or other data. Officers shall not disclose or disseminate any confidential information to any unauthorized third party by whatsoever means.
- 5.4.2. Officers handling or have access to information that is particularly sensitive which include knowledge of acquisitions and divestiture, new products or processes, audit reports and financial data ("**Non-Public Information**") must remain confidential until it is fully and properly disclosed to the public.
- 5.4.3. Officers are forbidden to use Non-Public Information for personal benefit or make known such information to anyone who might make investment based on that information.
- 5.4.4. This measure applies to all Officers both during and after the service with the Group.

## **6. Duties Of Good Faith, Diligence and Integrity**

### **6.1. Conflict of Interest**

6.1.1 While the Company has no wish to interfere in any employee's outside activities, the Company has a policy prohibiting conflicts of interest as follows:

(a) Holding a Significant Interest in Suppliers, Customers or Competitors

The Company's policies require that employees (and their immediate family, spouses and family living in the same household) not have any ownership interests in, or own property with, any of the Company's suppliers, contractors, agencies, customers, or competitors (or their office employees) unless the Company determines that such ownership interests do not conflict with the employee's obligations to the Company. These restrictions do not apply to ownership of shares of a public listed company.

(b) Outside Work

The Company has a policy requiring that employees not work for, or conduct any outside business with a competitor. Employees may not be engaged in any manner by a competitor of the Company.

6.1.2 In order to determine whether an employee's investments or activities create a conflict, each employee is required to inform outside businesses and ownership interests that relate to the business activities of the Company. This information shall be furnished to Human Resource & Administration Department.

6.1.3 Conflict of interests may arise in any situation in which a Director engages in an activity that detracts from or interferes with his or her full, loyal and timely performance of services to the Group, or has a financial interest that might influence the Director's judgment on behalf of the Company.

6.1.4 All such conflicts should be avoided, and Directors must report any actual, potential or apparent conflicts to the Board of Directors.

6.1.5 Where the conflict of interest has been appropriately disclosed, the interested director shall not participate in any discussion while the contract or proposed contract is being considered during the meeting and shall not vote on the contract or proposed contract.

### **6.2. Gifts and Entertainment**

6.2.1 As a general rule, Officers are prohibited from giving or accepting gifts, entertainment or other benefits to or from business partners.

6.2.2 Notwithstanding this, the Group recognises that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate custom or practice in business relationships.

6.2.3 Officers shall comply with the Company's policy on Anti-Bribery and Anti-Corruption in giving and receiving gifts from any third party.

### 6.3. **Bribery and Corruption**

6.2.4 The Company recognises that over and above the commission of any crime, any involvement in bribery will reflect adversely on its image and reputation. Its aim, therefore, is to limit its exposure to bribery by:

- (a) Setting out a clear Anti-Bribery and Corruption Policy (*refer to Appendix A*);
- (b) Increase awareness of employees so that they can recognise and avoid the use of bribery by themselves and others;
- (c) Encouraging its employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- (d) Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- (e) Taking firm and vigorous action against any individual(s) involved in bribery.

6.2.5 Appropriate disciplinary action shall be taken against the employee who does not act according to the policy. The prevention, detection and reporting of bribery or corruption is the responsibility of all persons within the Company.

### 6.4. **Money Laundering**

6.4.1 Money laundering is the process of concealing, converting and transferring proceeds from unlawful activities to a legitimate source of income or asset. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 in Malaysia.

6.4.2 Employees shall be aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.

6.4.3 Employees are expected to be mindful of the risk of the Company's business being used for money laundering activities and to raise any suspicious transactions to their immediate superior.

### 6.5. **Abuse of Power**

6.5.1 The abuse of power is the improper use of a position of influence, power or authority by an individual towards others. Abuse of power includes a one-time incident or a series of incidents.

6.5.2 Everyone in the Group should be treated with dignity and abuse of power and any form of discrimination is strictly not tolerated. Employees shall report incidents of abusing of power



or has reason to believe abusing of power is occurring, to their immediate superior or adhere to the Whistleblowing Policy.

## 6.6. Share Trading

6.6.1. As a general policy, all Directors and employees of the Group are discouraged from engaging in speculative trading (as opposed to investing) in the Company's listed securities, and are reminded to observe the prohibitions imposed on "insiders" in relation to Insider Trading under the Capital Markets and Services Act 2007.

6.6.2. All Directors and key management personnel, identified and designated by the Managing Director & Executive Director pursuant to the Board's Corporate Disclosure Policy ("**designated key management personnel**") are required to comply with Bursa Malaysia Securities Berhad's Listing Requirements on Dealings in Listed Securities under Chapter 14.

6.6.3. The designated key management personnel, must notify the Managing Director/ Chief Financial Officer in writing of any dealing in securities of the Company Immediately.

6.6.4. All Directors and designated key management personnel are prohibited from dealing in the Company's listed securities when they possess material inside information\* which has not been made known to the investing public.

\* Material Inside information is information that is reasonably expected to have a material effect on:

- the price, value or market activity of the Company's listed securities, or
- the decision of a holder of the Company's securities or an investor in determining his choice of action.

## 7. Communication and Compliance

7.1. The Company should ensure this Code is being communicated to all levels of Officers through staff handbook, notice board, intranet, or corporate website. The Company should include the briefing of this Code to new Officers in the induction programme.

7.2. The Board of Directors should ensure this Code permeates throughout the Company and complied by all levels of Officers.

## 8. Violations of Code of Conduct

8.1 A breach of the Code shall be construed as misconduct and may be subjected to disciplinary action.

8.2 Any known or suspected unethical behaviour or misconduct should be reported to the immediate supervisor, HOD or Head of Human Resource. Additionally, Officers are encouraged to use the channels as set out in the Lefrom's Whistleblowing Policy without the fear of retaliation.

## **9. Investigation of Violation**

9.1 The Company shall investigate reported concerns or violations of this Code by any Officers promptly and confidentially with the highest level of professionalism and transparency. All internal investigations and audits are conducted impartially and without predetermined conclusions. Each and every Officer shall be expected to cooperate fully with audits, investigations and any corrective action plans, which may include areas for continued monitoring and assessment.

## **10. Periodic Review**

10.1 The Board and senior management of the Company will review the Code from time to time when deemed necessary and communicate the new changes to all relevant parties.

10.2 The Code shall be made available on the Company's website.

10.3 Code was approved and adopted by the Board of Directors on 22 February 2022.