

FITTERS DIVERSIFIED BERHAD
(Registration No. 198601000595 (149735 –M))

CODE OF CONDUCT AND ETHICS

This Code of Conduct and Ethics (“this Code”) shall apply to each and every individual who works with FITTERS Diversified Berhad (“the Company”) and its subsidiaries (collectively, “the Group”) and the Group expects this Code to be observed. Violation of this Code, if proven, may subject an employee to severe disciplinary action.

This Code applies to any Director who also serves as an employee of the Group, and he/she should read and abide by this Code.

In view of the above, each and every employee of the Group is urged to read and understand this Code in advance of any situation that might constitute even the slightest departure from the spirit of the standards.

Although this Code may not answer every question of conduct that could arise in the Group’s business, this Code serves as a reminder of situations that require extra and close attention, concern or guidance. This Code, together with all other related policies and procedures of the Group, shall constitute the Group’s compliance documents. The Group also relies on each and every employee to report any violation of the standards set forth in this Code.

1. ETHICAL BUSINESS CONDUCT

All employees are urged to exercise the highest ethical standards in their dealings with the Group, customers, suppliers, dealers, government officials and fellow employees. This also means that all employees shall practice honesty and integrity and always act in good faith and the best interest of the Group. Further, the employees shall exercise due care, diligence and skill in carrying out their day to day tasks so as to not discredit or attempt any action that may discredit the Group.

2. INTELLECTUAL PROPERTY (PATENTS, TRADEMARKS AND COPYRIGHTS)

All internet, intranet and e-mail activities are to be conducted for legitimate business purposes only. Each employee acknowledges that the Group owns and has all rights to monitor, inspect, disclose and expunge (as necessary) all electronic files and records on the Group’s systems, and that they should have no expectation of privacy with regard to such files and records. An employee’s use of all the Group’s computing resources (including personal computers and laptops, networked services and the internet and e-mail access, web surfing and website creation activities) must at all times comply with all the Group’s policies and applicable laws, especially those relating to intellectual property, data privacy, defamation and unfair competition. Each employee is also reminded that all online and e-mail activities, intentionally or not, are potentially public in nature and that each of them must never act in a way that could bring liability, loss or credibility or embarrassment to the Group. Further, each employee is also urged to consult the Human Resource Department in the event they are unsure about the proposed use of any Company’s patent, trademark or copyright.

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3. CONFIDENTIALITY OF INFORMATION

- i. The Group owns a substantial amount of information which is confidential in nature and if loosely disclosed to third parties, could place the Group at a competitive business disadvantage. Such information includes, for example, financial data, research and operational plans, business analyses, charts, formulas, diagrams, proposals, spreadsheets and trade secrets. Each employee of the Group must be sensitive to the importance of maintaining the confidentiality of such information. The damage done through inadvertent disclosure can be as severe as a deliberate leaking of information. Employees must make a conscious effort to be mindful to guard against accidental/non-intentional disclosure vide casual conversations which may be overheard in public places outside the place of work including during travel such as in airplanes, trains, lunch and dinner venues and even elevators.
- ii. As such, all employment contracts and letters of offer to employees of the Group include a section to remind employees on the paramount importance of protecting confidential information of the Group. Since personal records and remuneration including the officers' remunerations are classified as Private and Confidential, these shall not be divulged to any third party and shall be deemed as Personal to Holder. All information obtained in the course of engagement and/or employment with the Group 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 where stipulated, even after cessation of service with the Group.
- iii. Unless the authorisation and express permission of the Group has been obtained, an officer shall not make any unauthorized 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 Group on any issue, or any other information or details in respect of the Group's business. This applies to disclosures by any medium, including the internet, especially via social media sites (e.g. Facebook, Twitter, YouTube), 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.

4. MAINTENANCE OF RECORDS, INTERNAL CONTROLS & COMPLIANCE

- i. The 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, for example, by submitting expense records, time sheets, order and invoice records.
- ii. The Group 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.

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- iii. 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.
- iv. Officers are responsible for knowing and complying with the requirements applicable to their work activities, including those described in Rules of Conduct and Disciplinary Procedure in the Employee Handbook and those described in the Group's guidance documents (Group's standards, policies and procedures and manuals).
- v. The Management and the Board of Directors ("the Board") should ensure this Code is being communicated to all levels of officers through staff handbook, notice board, intranet, or corporate website. The Group should include the briefing of this Code to new officers in the induction programme. The Board should ensure this Code permeates throughout the Group and is complied with by all levels of officers.

5. CONFLICT OF INTEREST & NON-COMPETITION

As an employer, the Group reserves the right to expect undivided loyalty from its employees. Any conflict of interest resulting from situations or activities which may benefit an employee by virtue of his/her position with or at the expense of the Group is strictly prohibited. This includes inter-alia but not limited to situations listed hereunder:

i. Outside Business Appointments/Undertakings

The general rule is that employees of the Group may not accept employment in or undertake work for any other company, firm or organization. Any outside business appointment or undertaking, whether as employee, director, active partner, adviser, agent, manager or consultant (whether on a paid or gratuitous basis) may only be undertaken in exceptional circumstances and only with the Managing Director's written permission.

ii. Outside Non-Executive Directorship(s)

Employees of the Group may not accept outside non-executive directorship(s) or become silent partners in entities which are either listed on the Group's list of authorized contractors or their sub-contractors, which have any form of business dealings with the Group (whether directly or indirectly). Should employees become involved in such directorship(s), they have an obligation to inform the Managing Director immediately in writing and the Managing Director will then consult with the employee concerned as to the best possible way to prevent a conflict of interest.

6. EQUAL EMPLOYMENT OPPORTUNITY

All employees are selected and hired on the basis of individual merit and ability to the position filled. As a business comprising a talented and diverse workforce, the Group shall remain committed to a fair and effective utilization of all employees regardless of race, religion, nationality, gender, age and/or status, which are all unrelated to an individual's ability to do his/her job. The Group shall at all times bear in mind that equal employment opportunity is indispensable in every aspect of its employment relationship with employees. This relationship covers hiring, training, working environment, compensation and benefit packages, employment functions (including job promotion and demotion, discipline, transfer, expansion and reduction of workforce) and company sponsored educational, social and recreational programmes. The Group shall also move affirmatively towards full and equal participation for each and every one of its employees as a matter of sound moral, legal and business policy.

7. ENTERTAINMENT & GIFTS

When employees make or are involved in sourcing and purchasing decisions for the Group, they must make those decisions with integrity, independence and objectivity of judgment that must not be compromised. Therefore, they must not accept any gifts, entertainment that could influence, or be perceived to influence, their sourcing and purchasing decisions.

Exchanging courtesies such as modest gifts, meals and entertainment, is a common practice meant to create goodwill and establish trust in business relationships. If they use good judgment and act with moderation, the occasional exchange of entertainment and gifts of nominal value may be appropriate, as long as such courtesies are not specifically intended to influence any procurement or sales decisions. Whenever they are involved in the exchange of business courtesies, they must comply with the following standards:

- i. Any entertainment offered or accepted should be a reasonable extension of a business relationship. It should occur infrequently and be modest in nature. If such entertainment becomes a regular feature or in the event that entertainment exceeds a reasonable scale, then employees are advised and urged to report such incidents to higher management of the Group. For avoidance of doubt, an occasional meal/dinner is acceptable but lavish entertainment or a paid holiday is not.
- ii. The Group does not encourage the giving of gifts or the provision of gratuitous services by the Group's contractors or their sub-contractors, suppliers, bankers, dealers, advocates and solicitors to its employees. However, the Group recognizes that during certain festive seasons, it is the custom for third parties to hand out gifts to its employees, including but not limited to T-shirts, calendars, diaries and planners, which have nominal monetary value. For avoidance of doubt, gifts should generally be valued at less than RM500. When offered a gift exceeding RM500, an employee must report promptly to his/her supervisor.

8. SEXUAL AND OTHER FORMS OF HARASSMENT

Every individual conducting business at the Company's premises, whether employed by the Group or otherwise, shall refrain from engaging in any verbal or physical conduct that could be construed as sexual or any other form of harassment. Such conduct may consist of making unwelcome sexual advances or requests or engaging in coercive behaviour that is sexual in nature when the rejection of or submission to such conduct affects, either explicitly or implicitly, an employee's status of employment and any decision regarding that person's terms or conditions of employment (e.g. salary, promotion, demotion, job assignment or termination). It also includes the existence of a sexually abusive or intimidating, hostile or offensive working environment. In addition to offending, if not injuring, the victim of such conduct, sexual and other forms of harassment are counterproductive to sound business policies of the Group. Further, the Group will not tolerate sexual or other forms of harassment. Any individual that may fall victim to sexual or other forms of harassment is encouraged to report such incident(s) to his/her immediate superior and/or a human resources representative without delay and no individual will suffer retaliation for reporting in good faith, any incident(s) of harassment and discrimination, making a complaint or participating in an investigation.

9. INSIDER TRADING

Certain employees will, by virtue of their position, often be in possession of material non-public information or disclosure of inside information about the Company to others who then trade in the Company's securities. It is important, from the point of view of the Group and the individual employee that no grounds be given for the suggestion that any such information gained in the course of employment has been used for personal advantage.

10. BRIBES AND CORRUPTION

Employees of the Group shall not offer, give, solicit or accept bribes in order to achieve business or personal advantages for his/her or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.

Employees of the Group shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorised remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.

Prior to giving or accepting any business amenity or other gifts (in whatever form or value), employees shall assess the appropriateness of their actions by assessing if the action could influence or could reasonably give the appearance of influencing the business relationship of the Group with that organization or individual or any business decision arising out of that business relationship.

11. MONEY LAUNDERING

Money laundering is the process of concealing the identity of proceeds from unlawful activities to convert “dirty” money 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.

Employees of the Group 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.

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

12. ABUSE OF POWER

The abuse of authority/power is the improper use of a position of influence, power or authority by an individual towards others. This is particularly serious when the alleged offender uses his/her influence, power or authority to negatively influence the career or employment conditions (including, but not limited to, appointment, assignment, contract renewal, performance evaluation or promotion) of other individuals, e.g. asking for an amount of money to approve the renewal of a contract. Abuse of authority can include a one-time incident or a series of incidents. It may also consist of conduct that creates a hostile or offensive work environment, which includes, but is not limited to, the use of intimidation, threats, blackmail or coercion. Decisions made through the proper use of managerial and supervisory responsibilities are not considered as abuse of authority.

13. PRODUCT QUALITY AND SAFETY

Each sector within the Group is expected to comply with all applicable laws, bye-laws, guidelines and rules in relation to product safety and quality of services. All programmes regarding quality and safety should start with the proposition that each employee plays a critical role in ensuring quality and safety of the Group’s products and services, from the initial process through manufacturing and ongoing improvements.

14. WORKPLACE, HEALTH AND SAFETY

It is the policy of the Group, to provide a healthy and safe place of employment for all of its employees. Each worksite is expected to be in compliance with all applicable laws, bye-laws, guidelines, regulations and rules regarding occupational health and safety. Heads of departments (“HODs”) are also expected to review their worksites’ incidence rates and the effectiveness of health and safety programmes on a regular basis.

15. ENVIRONMENT

All employees are urged to act in a responsible manner towards the environment. This means that just as the Group will comply with all environmental laws for the time being in force, each employee must help to minimize any adverse impact of the Group's products (if any) on the environment.

16. HANDLING AND SETTLEMENT OF EMPLOYEE GRIEVANCES & DISCIPLINE

i. Reporting of Abuse/Non-Compliance of Group's Policy/Procedures

The Group's officer should report to supervisors, managers, HODs or Head of Human Resource about any known or suspected illegal or unethical behaviour. The Group shall make every effort to maintain the confidentiality of any individual who reports concerns and possible misconduct. The Group's Executive Directors and senior management shall promptly report any known or suspected violations of this Code to the Board. All officers shall refer to and adhere to the Whistle Blower Policies and Procedures.

ii. Instigation and Retaliation

Officers who retaliate or encourage others to do so will be subjected to disciplinary actions, up to and including termination of employment or engagement. The Group does not tolerate any form of retaliation against anyone who makes a report.

iii. Investigation and Grievance Procedure

The Group shall investigate reported concerns 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.

Where external investigations are required, every officer shall appropriately respond to, cooperate and shall not interfere with, any lawful government inquiry, audit or investigation.

17. MONITORING AND PERIODIC REVIEW OF THE CODE

The Group must diligently monitor these procedures to ensure that they meet the objectives of relevant legislations and remain effective for the Group and, if necessary, implement changes subject to the approval of the Board. This Code will be reviewed periodically to assess its effectiveness.

Date : 1 October 2019