



# **CODE OF BUSINESS CONDUCT**

**REV. NO: 1**

**APPROVED BY THE BOARD OF DIRECTORS ON 23 MAY 2019**

**Custodian : Group Risk Manager**

**AMENDMENT RECORD**

The amendment record shall be maintained to identify the changes made to this policy.

The Group Risk Management Manager shall verify the amendment records.

<b>Revision No.</b>	<b>Revision Date</b>	<b>Page No.</b>	<b>Description of amendment</b>	<b>Verification</b>
1	23/05/2019	10/12	Revision of Equal Opportunity clause to Human Rights clause.	Group Risk Manager

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## CODE OF BUSINESS CONDUCT

### 1. Overview

Deleum Berhad (“Deleum”) is committed to maintaining high values of integrity in its business dealings and conduct. Deleum strongly believes in the Shared Values of Integrity, Professionalism, Health, Safety and Environment as well as Excellence, which promote transparency and openness in communications, encourage respect among individuals, develop a high standard for a safe and healthy environment and embrace excellence whilst striving for continuous improvements.

The following are Deleum’s Shared Values:

- **Integrity** – Respect, Honesty, Ethics
- **Professionalism** – Accountability, Teamwork, Communication
- **Health, Safety and Environment** – Healthy/Balanced Lifestyle, Safety, Environment
- **Excellence** – Quality, Deliverance, Rewards

The Group has in place a Code of Business Conduct (“COBC”) as a guidance to its directors and employees as well as its contractors, sub-contractors, consultants, agents and other service providers with regards to the Group’s standard of integrity and rules of conduct to be observed in the performance of work and business practices.

The COBC is applicable to Deleum and its subsidiaries (“Deleum Group”). Deleum Group will not permit any illegal or unethical conduct in connection with any of its business dealings. The COBC is applicable to every employee and director (executive and non-executive) of Deleum Group.

Although the COBC is specifically written for Deleum Group’s employees and directors, Deleum Group expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of Deleum Group to comply with the COBC in relevant parts when performing such work or services. Failure by contractors, sub-contractors, agents, consultants or other service providers to comply with the principles and standards as set out in the COBC may result in the termination of the non-complying party’s relationship with Deleum Group.

All Deleum Group’s employees need to read and understand the COBC and be individually responsible for observing the COBC in upholding the good name and reputation of Deleum Group.

Whenever in doubt, an employee should consult his or her immediate superior and/or respective Head of Department and/or Senior Management and/or Group Risk Manager and/or Head of Human Resources with regards to the appropriate conduct before taking any action. Any further action needed shall be refer to the COBC Procedure.

All employees must take ownership and responsibility in the performance of their duties in relation to the affairs of Deleum Group and always act in the best interests of Deleum Group.

Deleum reserves the right to modify, revise, or waive any of the provisions under this COBC from time to time at Deleum's discretion. Any modification, revision or waiver of any of the provisions made from time to time shall be read together and form part of the COBC.

## **2. Standards of Conduct**

2.1 All activities undertaken must always be in the best interests of Deleum Group. In this regard, all employees must take ownership and responsibility in the performance of their duties in relation to the affairs of Deleum Group and always act in the best interests of Deleum Group.

2.2 All employees must comply and adhere to the COBC at all times.

## **3. Compliance of Laws and Policies, Procedures, Guidelines and Regulations**

3.1 All activities undertaken by Deleum Group must always be lawful and in accordance with:

- i. all local and foreign applicable laws, rules and regulations such as criminal laws, laws designed to combat bribery, anti-corruption, anti-money laundering and anti-terrorism;
- ii. all applicable laws, rules and regulations applicable to Deleum Group for its operations outside Malaysia such as anti-boycott, employment, economic sanctions, environmental, export import, health, labour, safety and securities laws;
- iii. all policies, guidelines, general business principles and code of conduct as may be required by the partners, principals, customers and supplier as may be applicable.

3.2 All employees must comply at all times with the prevailing policies, procedures, guidelines as well as applicable laws, rules and regulations mentioned above. If the applicable laws, rules and regulations mentioned above conflict with this COBC, the applicable laws, rules and regulations shall prevail.

Employees may consult the Legal Department if he/she has any questions regarding applicable laws.

## **4. Anti-Bribery and Anti-Corruption**

Deleum Group strictly forbids the offer or acceptance or attempt to obtain bribes and commit the acts of corruption in any form by its employees.

A bribe is anything of value including money, gifts, kickbacks, favours or entertainment that others could view as an attempt to influence someone's actions or decisions, obtain or retain business, or acquire any sort of improper advantage.

Corruption is defined as dishonest behaviour by those in positions of power, such as managers or government officials. Corruption can include giving or accepting bribes or inappropriate gifts, double dealing, under-the-table transactions, manipulating elections, kickbacks, diverting funds, laundering money and defrauding investor.

Deleum Group is committed in complying with anti-bribery and corruption laws that apply to its' operations, including but not limited to the Malaysian Anti-Corruption Commission Act 2009, U.S Foreign Corrupt Practices Act ("FCPA") and UK Bribery Act 2010. Under these laws, all employees are prohibited from offering or accepting bribes to or from government officials, customers, partners, principals or suppliers to secure or award any contract, retain business or to direct business to any persons or to have an improper advantage.

If any employee, contractor, sub-contractor, agent, consultant or other service provider is confronted with a demand or offer for a bribe from anyone, such demand or offer must be reported immediately to his or her immediate superior and/or respective Head of Department and/or senior management for further action.

All employees are prohibited from corrupt practices in dealing with government officials. It is an offense to make or offer a payment, gift or other benefits to any government official in order to induce favourable business treatment.

## **5. Gifts, Hospitality and Entertainment**

In the course of business transactions, Deleum Group recognizes the importance of promoting goodwill and building cordial relationships often through gifts and entertainment whilst at the same time setting limits.

Gifts, hospitality and entertainment given must be:-

- (i) nominal and reasonable and not lavish or extravagant and be infrequent. Corporate gifts such as calendars, diaries, umbrellas, mouse pads and the like which are inexpensive, openly distributed during festivities and special occasions such as flowers/fruit baskets and deemed trivial are acceptable.
- (ii) connected to a legitimate business promotional activity or performance of any existing contract consistent with Deleum Group's business practices.
- (iii) appropriate to the official responsibilities of the employees.
- (iv) in accordance with the prevailing guidelines and policies of Deleum Group such as the Delegation of Authority Guidelines and the COBC, gifts and requisition of entertainment policy and terms and conditions of contracts with principals, customers and suppliers.
- (v) in accordance with applicable laws and regulations, customer's internal gift policy, generally accepted business practices and customs.

- (vi) not to be given with a corrupt intent namely to improperly influence relationships or decisions or to obtain special treatment in connection with Deleum Group's business.
- (vii) be accurately recorded in the Deleum Group's books and records.

## **6. Donations and Sponsorships**

Deleum Group is committed to the principles of "corporate responsibility" and is committed to sponsorships and donations to demonstrate "good corporate citizenship" to the communities in which Deleum Group operates.

Any donations or sponsorships in cash or in kind offered by Deleum Group to charitable organisations, non-governmental organizations, community groups will be evaluated on a case to case basis and with due regard to the merits of the donation/sponsorship request in accordance with the Deleum Group's Delegation of Authority Guidelines. Donations and sponsorships should generally be related to the industry in which Deleum Group operates as well as the locations where Deleum Group is based.

## **7. Health, Safety and Environment**

Deleum Group realises that Health, Safety and Environment is of paramount importance and recognises the value and importance of implementing safety processes and inculcating a strong safety culture.

All employees, contractors, sub-contractors, agents, consultants or other service providers are collectively responsible towards Health, Safety and Environment excellence by adhering to Deleum's 10 Life Saving Rules which cover the followings:

- (i) Valid safe work permit.
- (ii) Energy isolation.
- (iii) Systems override.
- (iv) Confined space entry.
- (v) The line of fire.
- (vi) Personal Protective Equipment ("PPE").
- (vii) Perform risk assessment.
- (viii) Follow prescribed journey management plan.
- (ix) Mobile/portable devices.
- (x) Smoking and ignition source.



All employees, contractors, sub-contractors, agents, consultants or other service providers strictly adhere to the safety measures contained in Deleum Group, principal, partners or customer's safety policy.

**8. Selection and Engagement of Third Parties**

Deleum Group shall ensure that its interests are adequately protected when structuring relationships with business partners, sub-contractors, joint ventures, strategic alliances and entering into contracts with any third parties.

If partners or principals request employees to engage with any third party to perform work on their behalf, employees should obtain the prior written approval of such partner or principal.

**9. Accounting Records and Internal Controls**

9.1 Deleum Group shall make and keep reasonably detailed books, records and accounts that conform to prevailing professional standards of accounting and principals or customer's code of conduct on accounting records that in reasonable detail reflect all transactions, including all expenditures, invoices, expense reports, receipts, disbursements, vouchers and other disposition of monies and assets.

9.2 Deleum Group shall also maintain a system of internal controls to reflect with reasonable accuracy all transactions and dispositions of Deleum Group's assets to ensure that the said transactions and dispositions are executed in accordance with specific or general authorization per the prevailing Delegation of Authority Guidelines.

**10. Political Activities**

Deleum Group is apolitical company.

Deleum Group does not make payments to political parties, organizations or their representatives or take part in party politics.

**11. Anti-Money Laundering and Anti-Terrorism**

Money laundering occurs when the proceeds of crime are hidden in the legitimate business dealings, or when legitimate funds are used to support criminal activities, including terrorism.

Deleum Group, its directors, officers and employees shall not engage in any financial transactions involving properties or funds which promotes or are the results of criminal activity including diverting, concealing, receiving or using the proceeds of such criminal activity.

Deleum Group, its directors, officers and employees shall not also finance, sponsor, facilitate or assist any terrorist person, activity or organization or any such person's activity or organization designated as a terrorist person, activity or organization.

**12. Conflict of Interest**

- 12.1 Employees must always act in the best interests of Deleum Group and shall not be involved in any activities where their personal interests conflict with the business interests of Deleum Group or the performance of their duties. In this regard, the best policy is to act honestly and ethically and to avoid any personal business connections with the principals, partners, customers or suppliers.
- 12.2 Employees, officers or directors shall not compete against Deleum Group and shall not use any position or influence or company information, assets or resources for any personal gain or improper benefit of others.
- 12.3 When faced with a personal conflict, the employee, officer or director owes a duty to Deleum Group to put its interest first and to declare any potential conflict of interest situation to the Group Managing Director. The individual concerned should withdraw from the decision-making process.

**13. Corporate Assets, Confidential Information and Intellectual Property**

- 13.1 Employees are expected to protect the assets of Deleum Group and use them efficiently in the best interests of Deleum Group. Deleum Group's assets and equipment shall be used only for authorised purposes and in accordance with prevailing policies and must not be subject to any waste, theft or fraud.
- These assets also include intangible assets such as Confidential Information and Intellectual Property.
- 13.2 Confidential Information is a valuable asset of Deleum Group and any unauthorised use or disclosure of Confidential Information belonging to Deleum Group could cause significant harm to Deleum Group's business.
- 13.3 Deleum Group places trust in its employees to handle Confidential Information or other sensitive information responsibly and discreetly.

Accordingly, employees when acting for Deleum Group shall not divulge directly or indirectly to any person, firm, or company, any knowledge, information, secrets and/or all confidential matter of any description belonging to Deleum Group, its partners and principals save in the course of their duties to Deleum Group and with the permission of Deleum Group or when disclosure is required by applicable laws and regulations.

- 13.4 Confidential Information shall include but not be limited to proprietary information with respect to the business and financing of Deleum Group and its dealings and transactions, trade secrets, technology, financial information, contracts and tender information, technical data, patents, know-how and affairs and likewise in relation to Deleum Group's associate companies, suppliers, principals, partners, customers and any other persons with whom Deleum Group is in contact.

- 13.5 Intellectual property includes any of our Group's patents, trademarks, copyrights or other intangible assets created for the Group. All employees, contractors, sub-contractors, agents, consultants or other service providers must comply with all laws, rules, regulations and contractual obligations regarding the valid intellectual property rights of Deleum Group and other parties, including patents, copyrights, trade secrets and other proprietary information.

**14. Prevention and Detection of Fraud**

Fraud is an ever-present threat to the resources of any business and to be viewed with concern.

Deleum Group is committed to addressing the prevention and detection of fraud within its organization. Employees are advised to refer to and comply with Deleum Group's procedure in respect thereof at all times.

**15. Data Privacy and Protection**

In conjunction with local legal requirements, Deleum Group protects the personal data and/or sensitive personal data of its employees and third parties. Personal data and/or sensitive personal data shall have the same meanings as prescribed in the Personal Data Protection Act 2010 ("Act").

All employees with access to personal data and/or sensitive personal data shall comply with the requirements of the Act.

Deleum Group has established a PDPA Committee and appointed a Compliance Officer to monitor and report on the compliance of the Act. Personal data and/or sensitive personal data notices to Deleum Group's employees and identified persons have been issued accordingly.

**16. Harassment**

Deleum Group will not tolerate any forms of harassment. Harassment is any inappropriate conduct which has the purpose or effect of:

- (i) Insults or belittling remarks;
- (ii) Inappropriate jokes and comments;
- (iii) Displays of inappropriate pictures, cartoons or other materials;
- (iv) Sexual advances, offensive contact, comments about another's sexual conduct;
- (v) Threats or coercion such as malicious, hostile and intimidating statements or actions.

**17. Anti-Competition**

Anti-competition law protects free enterprise and prohibits behaviour that limits trade or restrict fair competition and promotes a free and fair marketplace.

Deleum Group complies with all applicable anti-competition laws which apply to its operations.

Anti-competitive behaviour will damage Deleum Group's business and reputation for fairness and honesty. Anti-competitive practices are unacceptable. Violation of anti-competition law by any employee may subject both the employee and Deleum Group to severe consequences.

**18. Public Disclosure**

Any written or oral communication made publicly on behalf of Deleum Group is a public disclosure.

Employee shall not either orally or in writing or in any form (including on social media websites such as Twitter, Facebook, Instagram and others) make or circulate any public statement on the policies, decisions, measures or work undertaken by Deleum Group, unless the employees are duly appointed or authorised to make such statement on behalf of the Deleum Group. This is in accordance to Deleum Group's Human Resource Policy on Conduct and Discipline Policy.

Misleading the public can be a regulatory offence. Inaccurate and delayed information disclosure can damage the Deleum Group's reputation.

**19. Human Rights**

Deleum is committed to comply and adhere to the internationally recognised Universal Declaration of Human Rights in all its operations and businesses.

Deleum shall at all times act in a manner to ensure that all its employees, contractors, subcontractors or any third parties performing work and / or business on behalf of or for Deleum to comply with the said Universal Declaration of Human Rights.

There are 30 human rights as listed in the Universal Declaration of Human Rights which is attached to the Human Resource Policy under 'People Policy – Section D33: Conduct and Discipline Policy'.

**20. Electronic Information**

Deleum Group encourages the use of media and services provided by ICT to enable more efficient and effective performance, communication and the availability of real time information.

All employees are expected to use such facilities in a responsible and professional manner consistent with the Deleum's ICT Policy.

**21. Disclosure Duties**

All employees shall report any suspected, illegal, unethical or improper conduct of which they have become aware during the performance of work and business dealings.

Employees may also disclose any alleged or suspected improper conduct using the procedure provided for in the Deleum's Whistleblowing Policy.

Any breach of the COBC shall be reported to the immediate superior and/or respective Head of Department and/or Senior Management and/or Group Risk Manager and/or Head of Human Resources in accordance with the COBC Procedure.

Deleum Group will not tolerate any retaliation against anyone making such a report in good faith. Appropriate action will be taken against employees making a not good faith complaint according to Deleum's Whistleblowing Policy.

**22. Drug and Alcohol Policy**

In accordance with Deleum's Drug & Alcohol Policy and Procedure, Deleum Group is fully committed to provide a safe and productive work environment in striving to ensure that the workplace is free from substance abuse. Substance abuse is the use of illegal drugs, the misuse of legal drugs or other substances and the abuse of alcohol.

To this end, all Deleum's personnel shall not use, possess, distribute or sell alcoholic beverages, illicit or un-prescribed controlled drugs, or misuse legitimate prescription drugs (except drugs medically prescribed for the personnel) while performing work at any workplace including customer's premises and while operating Deleum's vehicles or equipment.

To ensure adherence to this policy, the Deleum Group may conduct unannounced testing and searches for substance abuse or abuse of alcohol at any time deemed necessary. This policy is in line with relevant legal and regulatory requirements relating to the possession, purchase, sale, transfer or use of alcohol and drugs.

**23. Responsibility Towards Customers and Principals**

Deleum Group strives to meet customers' requirements for quality, reliability and value. To achieve this, Deleum Group will ensure that the provision of the products and/or services comply with all applicable quality control standards, applicable laws, rules and regulations, as well as related internal control procedures. As such, all relevant employees, contractors, subcontractors, agents, consultants or other service providers will comply with all contract specifications including customer's or principal's code of business conduct.

**24. Consequences of COBC Violation**

The Group takes any violation of this COBC very seriously. Violation to any part of the COBC may result in disciplinary action and /or punishment under relevant regulations as may be deemed appropriate by Deleum Group.

Failure by contractors, sub-contractors, agents, consultants or other service providers to comply with the principles and standards set out in this COBC may result in the termination of the non-complying party's relationship with Deleum Group.

Violation of government rules and regulations can result in substantial fines, and even criminal prosecution for the individuals involved and to the Group.