

THE CODE OF CONDUCT AND ETHICS

1.0 Introduction

Kotra Industries Berhad (the “Company”) and its subsidiaries (the “Group”) has adopted the following Code of Conduct and Ethics (the “Code”) that contains policies and guidelines relating to the standards and ethics that all employees are expected to adhere to in the course of their work. It is designed to maintain discipline and order in the work place among employees of all levels.

2.0 Objective

The Code is established to enhance the standards of corporate governance and to promote corporate culture to sustain ethical behaviour and good conduct at work. The Directors and Employees are required to always observe and adhere to all applicable laws, rules and regulations in performing their duties and discharging their responsibilities. The Code is not intended to be exhaustive and there may well be additional obligations that the Directors and Employees are expected to behave or conduct when performing their duties.

3.0 Applicability

The Code is applicable to all Personnel who are Directors (Executive and Non-Executive) and Employees (full-time, internship, probationary, contract and temporary staff), hereinafter referred to as “Personnel”. If a Director requires any clarification on the Code, the Director may raise his/her concerns to the Company Secretary. For Employees, their concerns can be highlighted to their Heads of Department or the Human Resource Department. It is the duty of each Personnel to read, understand and comply with the Code. Any breach of the Code and its provisions shall result in disciplinary action, including termination of employment, commensurate with the severity of the misconduct.

4.0 Professional Conduct

All Personnel must conduct themselves with professionalism, integrity and decorum at all times and shall not commit any act under any circumstances that causes damage in reputation to, and assets or general interest of, the Group. The Group expects all Personnel to respect the privacy, rights and personal dignity of every individual they interact or work with during their employment in the Group and shall not in any way contribute to violation of the Code.

In addition to that, they are expected to treat each other with respect and to value each other’s differences and the diverse perspectives those differences bring to maintain a conducive environment that is non-discriminatory towards race, religion, gender, age, social status, disability or nationality.

5.0 Workplace Safety, Health and Security

The Group is committed to provide a safe and healthy working environment by undertaking all necessary precautions to prevent injuries or adverse working conditions. It is also the responsibility of all Personnel to understand, oblige and comply with all the policies, procedures and requirements related to their occupational safety and health. All Personnel must:

- a) report to the Management promptly of any accidents, injuries, illness, material spill, unsafe conditions and other safety and health related issues;
- b) attend all relevant safety training conducted by the Group and ensure personal protective equipment is worn when performing work; and
- d) seek advice from, or address any concerns to, the Group's Safety and Health Committee.

All visitors to the Group's premises shall be directed to the security where they shall be issued visitor's pass and tag upon signing the visitors log book. The tag must be worn at all times within the premises and must be returned to the security before leaving the premises. No visitors are to be left unattended or loitering in the office/factory.

The security guards have the authority to check employees entering and leaving the premises and any refusal by an employee to be checked when required may warrant disciplinary action to be taken.

6.0 Environment

The Group strives to maintain a work environment that is free from any harassment or discrimination based on race, religion, gender, age, disability or other factors that are not related to the Group's business and its operations.

The Group is strictly against any conduct at workplace which creates, allows and encourages an inappropriate or hostile work environment to any Personnel. This includes, but not limited to, the following:

- a) Use, possession, distribution or sale of illegal drugs, alcohol or any prohibited substance;
- b) Smoking within the premises other than the designated area;
- c) Violent behaviour or actions;
- d) Possession of any dangerous weapons;
- e) Remarks or comments that are derogatory;
- f) Participating or instigating illegal strikes;
- g) Sexual harassments.

7.0 Business Record and Data Integrity

All Personnel are responsible to retain and store proper records in compliance with related laws and regulatory requirements. It is the responsibility of each Personnel to prepare and maintain all the necessary business records accurately. No unauthorised, false, improper or misleading records or entries shall be made in the books and records of the Group under any circumstances.

8.0 Intellectual Assets & Confidential Information

Intellectual assets are owned by the Group. It includes, but not limited to, product design, technical know-how, trademark, patents, projects and others. All Personnel are obliged to protect confidential and proprietary information of the Group and guard against any unauthorised use or disclosure. Confidential or proprietary information includes all information that is not known to the public, or in public domain, as the information may be valuable on the Group, unless it is allowed to be disclosed, duly authorised and legally mandated. If the Personnel is in possession of any sensitive information concerning the Group's business or operations, such information must be held with utmost confidentiality until it is released publicly.

9.0 Usage of Assets

All Personnel must protect all assets entrusted to them, including facilities, equipment, financial assets, electronic assets, physical assets and information assets. All Personnel are accountable for safeguarding the assets from loss, theft, misuse, damage or other misappropriation. It is their responsible to report any misappropriation immediately to the Head of Department or the Management.

10.0 Conflict of Interest

No Personnel shall engage in any business, activity or work that can pose a conflict of interest with his/her position in the Group. They must not use their position or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage whether directly or indirectly. During the employment in the Group, Personnel are not allowed to engage directly or indirectly in any other business or occupation in any capacity except being a shareholder or debenture holder in a public listed company.

11.0 Bribery/Corruption

The Group takes a strong stance against bribery and corruption. The Group is committed to act fairly and with integrity in all of its business operations, dealings and relationships. All

Personnel shall refrain from offering, giving, demanding or receiving bribes and/or any other corrupt gratification.

Gratification shall include money, donation, gift, loan, fee, reward, valuable security, property or interest in property, movable or immovable property, financial benefit, office, dignity, employment, contract of employment or services, agreement to give employment or render services in any capacity, any offer, undertaking or promise, whether conditional or unconditional, of any gratification, including favours which is of value to the recipient and any other gratification as defined under Section 3 of the Malaysian Anti-Corruption Commission Act 2009. To amplify the stance adopted on anti-bribery and corruption, the Group has formalised an Anti-Bribery and Corruption Policy and Procedures for compliance by all Personnel.

12.0 Money Laundering

Money laundering is defined as a 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, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 in Malaysia. All Personnel must 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.

It is the responsibility of all Personnel to the best of their ability and knowledge to conduct business with reputable customers with legitimate funds, for legitimate business purposes. All Personnel 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 superior immediately.

13.0 Insider Trading

Insider trading is defined broadly to cover situations where Personnel buy or sell securities (quoted shares) while they are in possession of confidential information which is not generally available to the public and affects or may affect the value to be placed on these securities. The Personnel may have such information by virtue of their position in the Group or because someone in such position may have provided them, directly or indirectly, with the information.

Definition of insider trading includes trading in the following categories:

- a) Employees' own company;
- b) Principal, subsidiary and associated companies;
- c) Customer or supplier companies; and

d) Companies in which the above categories are connected, e.g. companies for which an offer or takeover is contemplated.

An insider includes:

- a) All directors, whether executive or non-executive;
- b) All employees;
- c) Family of directors and employees;
- d) Beneficial trusts of all the above mentioned; and
- e) Other persons acting on behalf of or in conjunction with the above-mentioned.

14.0 Dealings

No insider shall buy, sell or otherwise deal, directly or indirectly, in the shares of any company within the Group in the following periods:

- a) during the period commencing from the time information is obtained up to one (1) full trading day after the announcement of a matter that involves unpublished price-sensitive material information in relation to the securities of the Company or, where relevant, any other listed public company;
- b) during the period from the commencement of negotiation for a corporate proposal involving a transaction having a value exceeding 25% of the net assets of a listed public company up to one (1) full trading day after the announcement or one (1) day after the negotiation is aborted, as the case may be; and
- c) during the period commencing from the expiry of the financial year, half year or quarter, as the case may be, up to one (1) full trading day after the announcement of the Company's results for the financial year, half-year or quarter, as the case may be, and/or of any dividends and distributions to be paid or passed.

In the event of a compelling reason to dispose of the shares which an insider wishes to sell within the periods defined above, prior written approval must be obtained from the Managing Director. This applies similarly to the shares of all other companies as listed in the definition above.

15.0 Price-Sensitive Information

- a) All Personnel shall accept and understand that price-sensitive information is strictly confidential to the Employees concerned alone and shall not be discussed or divulged to another person except in an official capacity and on 'need to know' basis.

b) All Personnel shall not deal in the listed securities of the Company or of other listed issuers as long as they are in the possession of price sensitive information relating to such listed securities.

c) In this context, any information is classified price-sensitive which, if known to an outsider, is likely to have an effect on the price of the Company's securities. This includes, but not limited to, information on profitability, new issues, dividends, cash flow, mergers, acquisitions, major capital outlay, financial projections, disposals, etc.

16.0 Reporting Violations of the Code

Any Personnel who knows of, or suspects, a breach of the Code, is encouraged to report the concerns through the Whistleblower Report Form which is available in the Whistleblowing Policy. The provision, protection and procedure of the Whistleblowing Policy for reporting of the violations of the Code are available on the Group's website. No individual shall be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

17.0 Review and Approval of the Code

The Board shall review the Code at least once in every 3 years or at more frequency as situations dictate and communicate the new changes to all parties. The Code is made available on the Group's website at www.kotrapharma.com

The Code is approved by the Board on 22nd May 2020.

DOCUMENT REVISION HISTORY

Version No.	Section	Section Name	Page	Amendment Details	Effective Date
1	All	All	All	Original Document	22/05/2020