



Mi TECHNOVATION BERHAD

(Company No. 201701021661 (1235827 – D))

(Incorporated in Malaysia)

CODE OF CONDUCT AND ETHICS FOR MANAGEMENT AND EMPLOYEES

Dated 28-Dec-2020

1. INTRODUCTION

1.1 Mi Technovation Berhad (“the Company”) and its subsidiaries (“the Group”) have adopted the following Code of Conduct and Ethics (“Code”) for Management and Employees which reflects the underlying values and commitment to maintaining the standards of integrity, fairness, responsibility, commitment, diligence and professionalism contributing towards the social and environmental growth of the surroundings in which the Group operates.

2. OBJECTIVES

2.1 This Code is formulated with the intention of achieving the following aims:

2.1.1 To set a foundation for basic standards of ethical and legal behavior within the Group;

2.1.2 To ensure commitment for the compliance with laws, rules and regulations;

2.1.3 To ensure protection of assets and interests, confidentiality of information and to prevent misuse of information gained through the Group’s operations, either for personal gain or for any purposes other than that intended by the Group;

2.1.4 To prevent any misuse and/or abuse of position; and

2.1.5 To create a culture to share ethical dilemmas and voice out concerns regarding potential misconduct confidently.

3 CODE OF CONDUCT

Management and Employees (“All”) of the Group shall at all times observe the following Code in the performance of their duties:

3.1 Conflict of Interest

3.1.1 A Management person or an employee shall act in the best interest of the Group. One should not involve himself/herself in any situation that arises conflict of interest between them, as an individual and the interest of the Group.

3.1.2 All are prohibited from using their position or knowledge gained in the course of their duties or employment for private or personal advantage (directly or indirectly).

- 3.1.3 All are prohibited to make any direct or indirect investments which resulted in a conflict of interest between the Group and the Management or Employee as well as suppliers.
- 3.1.4 All shall not be receiving or giving gifts, benefits and/or entertainment as the position of the Management or Employee within the Group that may lead to a conflict of interest situation.
- 3.1.5 All are expected to participate in business decisions and actions during their employment and shall not hold on personal interests, relationships with existing suppliers, customers, financial institutions, government or other stakeholders.
- 3.1.6 All shall not abdicate their duties in favour of personal matters and shall not conduct oneself in such manner that will bring his private personal matters into conflict with their duties.
- 3.1.7 All shall not, without the prior consent from the Human Resource Department, Group Chief Financial Officer, Group Chief Executive Officer or the designated recipients, be engaged in any trade, private business or occupation other than what has been employed for with the Group. All shall not accept employment for a second job with a customer, supplier, competitor, manufacturer, consulting firm or service organization involved with the Group's product and/or service unless with the prior written approval of the aforementioned parties.
- 3.1.8 It is mandatory for all Management* and above to declare on his/her and his/her spouse direct or indirect involvement in other businesses on yearly basis via Doc# MiTB-FM-008 (Conflict of Interest Declaration). In the event that the Management/employee becomes aware of any potential or actual conflict of interest, he/she need to disclose as soon as they become apparent and the agreement of the Management has to be sought on remedial action to resolve the conflict of interest situation. He/she ought to take note that the Company views conflict of interest situation seriously and unresolved conflict of interest situation will result termination of employment.

* Management is referred to Assistant Manager/Manager level and above.

3.2 Confidentiality

- 3.2.1 The record of all proceeding, exhibits, statements, reports, findings, recommendations and any other actions obtained, given, taken or contemplated, under this policy and procedure, shall be kept confidential amongst the parties involved. The same shall apply even if no action is taken against the Employee implicated.

- 3.2.2 The Group maintains a confidentiality of Material and Information and Non-Disclosure policy to protect its business and organization. This information may include, but is not limited to all material and information, intellectual or otherwise whether represented in tangible or intangible form, including documents, work instruction manuals, standard operating procedures, employees benefits, trade secrets, the identities of its customers, suppliers, distributors, contractors, and licenses, their business relationships, its profits, costs, pricing, tooling, processes, machine conditions and all of its other material information, disclosed, described or observed, relating to development, testing, manufacturing and marketing of the Group's products, that are held confidential and have not been publicly disclosed by the Group.
- 3.2.3 All shall not reveal to anyone on any trade secrets, patents, trademarks, research plans, product designs, operations, processes and financial data of the Group or any of the customers which one obtains during the course of appointment.
- 3.2.4 All shall not during, or after termination of employment with the Group to disclose or make use of any copyright material, accounts or dealings of the group.
- 3.2.5 Unauthorized use of the proprietary information that violates the policy could result in negative consequences for both the Group and the individuals involved, including potential legal and disciplinary actions.
- 3.2.6 The obligation for all management and employees to preserve the proprietary information shall continue to apply after the termination of employment.

3.3 Insider Trading and Abuse of Corporate Information

- 3.3.1 Management and Employees shall not be dealing in the securities of any company listed or pending listed on stock or securities exchange at any time when one is in possession of information. Revealing price-sensitive information to any third party if that information has not been made public is prohibited, unless they are authorized or legally obligated to do so.
- 3.3.2 An employee must not make illegal use to gain, directly or indirectly, an advantage for himself/herself or any other any other person related to him/her of specific confidential information acquired by virtue of his/her position as an employee of the Group which if generally known might reasonably be expected to affect materially the price of the Company's shares dealings in the stock exchange.

3.4 Protection of Assets and Funds

- 3.4.1 The Group's properties and assets are only used for legitimate business purposes, in the best interests of the Group. An employee must not misapply the Group's assets or use the powers he/she is delegated, for the wrong purpose. The Group's assets are entrusted to the employee to be applied for the Group's purposes.
- 3.4.2 Management and Employees are expected to take reasonable care to manage and protect the Group's properties and assets, both tangible and intangible forms, including funds as well. Tangible assets such as equipment and machinery, systems, facilities, materials, resources; Intangible assets such as proprietary information, goodwill, harmonious relations with customers and suppliers.
- 3.4.3 All shall safeguard the assets and funds and make proper or efficient use in compliance with all applicable laws, Group's policies and licensing agreements, and take all necessary steps to prevent loss, damage, misuse, theft, fraud or destruction of the Group's assets and funds.

3.5 Compliance with Laws, Rules and Regulations

- 3.5.1 Management and Employees are committed to conducting business in an ethical way and in compliance with all applicable laws, rules and regulations of the governments, commissions and exchanges in the jurisdictions within which the Group operates and to which they are bound to observe in the performance of their duties.

3.6 Bribery and Gratification

- 3.6.1 A "bribe" or a "gratification" as defined in Malaysian Anti-Corruption Commission Act 2009 is:
- (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
 - (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
 - (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;

- (e) any forbearance to demand any money or money's worth or valuable thing;
- (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

3.6.2 No one shall perform any unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

3.6.3 All shall not offer, give, solicit or accept any bribes in order to achieve any business or personal advantage by engaging in transactions that contravene any applicable anti-bribery laws.

3.6.4 All are expected to promptly report for any suspicious transactions that may indicate bribery. The Group or the individual that involved may be subject to disciplinary action as well as potential civil or criminal liability for violation.

3.7 Anti-Corruption

3.7.1 All shall maintain a straightforward and clear-cut relationship with suppliers and/or business partners and abide by all reasonable contractual agreements and obligations.

3.7.2 All shall demonstrate independence and avoid any relationship; financial or otherwise, with suppliers that could be unfairly influencing their judgment.

3.7.3 Should an employee find him/herself in a position where required to deal with a related party on behalf of the company, he/she should declare to respective superior immediately.

3.7.4 All shall ensure the awarding of company's business is strictly based on price and suitability with competitive quote comparison. For single source supplier, prior approval should be obtained from Chief Executive Officer.

3.8 Anti-Fraud

3.8.1 All shall act honestly and use reasonable diligence in the discharge of the duties of his office.

3.9 Gifts, Entertainment and Hospitality

3.9.1 The Group prohibits the use of gifts, entertainment and corporate hospitality to influence business decisions. Vendors shall not offer gifts (including in the form of cash or cash equivalents), personal services, frequent lavish meals, improper entertainment that is indecent or sexually oriented, travel which is not for a legitimate business purpose, or those otherwise that may put the Group in a position of conflict, with an intention to influence business decision or was otherwise intended or given with the expectation of gaining any advantage, or which may adversely affect the Group's reputation.

3.9.2 Management and Employees shall not seek, receive, offer or give directly or indirectly gifts, entertainment, hospitality and/or benefits as such to/from third parties to solicit business, favors or decisions to his/her advantage unless they are nominal gifts or commemorative by nature, or the presentation of these gifts are disclosed.

3.9.3 Only in very limited, rare and defined cases is it permissible for employees to give or receive any gifts, entertainment and/or hospitality such as during festive seasons or during any promotional activities or where refusal of such gifts and/or entertainment might be taken as a gesture of disrespect. Such gifts, entertainment and/or hospitality may be given or accepted if the quantum is below the nominal value and the provision and acceptance is done in a bona fide manner.

3.10 Travel

3.10.1 All may accept lodging and other expenses (e.g. food, transportation) provided by Counterparties, Business Partners or other stakeholders within the host country if the trip is for business purposes and prior approval has been obtained from Chief Executive Officer. The cost of travelling to the host country must be borne by the company itself.

3.10.2 Unless prohibited by law or the policy of the recipient organisation, the company may bear the costs of transportation and lodging for Counterparties, Business Partners or other stakeholders in connection with a visit to the company's facility. The visit must be for a legitimate business purpose e.g. on-site examination of equipment, contract negotiations or training. Prior approval from Chief Executive Officer must be obtained.

3.11 Donation and Sponsorship

3.11.1 The Group's donations and sponsorships are part of the Group's commitment to society and a way of contributing to worthy causes. Unfortunately, even legitimate donations and sponsorships sometimes have the risk of creating the appearance of bribery and corruption.

3.11.2 All must ensure that all donations and sponsorships on behalf of the Group are given through legal and proper channels. Particular care must be taken in ensuring that the charities or sponsored organisations on the receiving end are valid bodies and are able to manage the funds properly.

3.11.3 All should also avoid situations where conflicts of interests could arise from making donations or sponsorships. Beware of making contributions to charities or sponsored organisations that may have links to government officials or their families, as this could be seen as an act to influence the official's decision in gaining benefit to the Group.

3.11.4 As part of the Corporate Social Responsibilities exercise, the Group encourages charitable donations by suppliers under reasonable circumstances and approval on a case-by-case basis from the Chief Executive Officer will be required.

3.12 Facilitation Payment

3.12.1 Facilitation payments are unofficial, improper, small transfers of value offered or made to secure or expedite a routine or necessary action to which we are legally entitled.

3.12.2 All shall not offer or give facilitation payment or other improper payment in order to achieve business or personal advantages for themselves or others.

3.13 Health, Safety and Environment

3.13.1 The Group is committed to provide a working environment which is safe, secure and free of danger. The Group takes the policy to comply with all the applicable environmental safety and health laws and regulations.

3.13.2 Management and Employees shall at all times be committed to the following:

- Inhibit wasteful use of natural resources.
- Protecting the environment by minimizing and mitigating environmental impacts throughout the life cycle of operations and minimize harmful emissions to environment, including waste, air emissions and discharges to water.

3.14 **Discrimination, Harassment, Threat and Violence**

3.14.1 The Group serves in, and practices, the principles of equal employment opportunity. It is the policy to recruit, hire, train, and promote individuals, as well as administer all employment decisions, conditions of employment, and personnel actions, disregards of race, color, religion, age, gender, or ancestry, marital status, physical ability, in accordance to applicable Malaysian law. In this regard, the Group will take continuing action to ensure that knowledge, skill and potential of all employees are fully utilized throughout the organization.

3.14.2 Management and Employees shall be treated with respect and free from any form of harassment, threat, intimidation, violence or any other inappropriate behavior.

3.14.3 All shall not give derogatory comments on any forms of communication channels such as racial slurs, sexual jokes, pornographic materials, posting offensive statements and distribution of inappropriate jokes.

3.14.4 All shall be prohibited from sexual harassment which includes behavior such as unwelcomed sexual advances or other verbal, visual or physical conducts of a sexual nature imposed on recipient.

3.14.5 All shall avoid making devalued remarks and presenting inappropriate behavior that could cause misunderstanding and be taken as sedition, discrimination, harassment, threat or violence.

3.14.6 All are responsible to report any suspicious act that may indicate any inappropriate behavior and are required to comply with the Code. In keeping in-line with the Code, individuals who involves in any inappropriate behavior as such, will not be tolerated.

3.15 **Amendments to the Code**

3.15.1 This Code shall be reviewed by the Board and amendments to be made from time to time to be in line with the changes in law, governance code couple with the change in Group's vision, mission and business plan.

3.15.2 Directors shall be fully informed of any amendments to the Code.

3.16 Enforcement of the Code

3.16.1 All Management and Employees are to be accountable for full compliance to the Code.

3.16.2 The Management and Employees has adopted this revised Code on 28th December 2020.

3.17 Non-Compliance

3.17.1 In case of non-compliance with this Code, the Board and/or relevant personnel shall investigate the matter and initiate the appropriate action.

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