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## **CODE OF CONDUCT AND BUSINESS ETHICS POLICY**

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A code of conduct to guide the Directors and any other employees at executive level and above (hereinafter referred as “employees”) of Cabnet Holdings Berhad and its Group of Companies (hereinafter referred as “the Company”) as to the practices necessary to maintain confidence in the Company’s integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices shall be outlined in the letter of appointment.

The Board aims to ensure that all Directors and any other employees act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

### **1) POLICY ON SHARE TRADING**

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.

All Directors and key management personnel, identified and designated by the Chief Executive Officer/Deputy Chief Executive Officer 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.

The designated key management personnel, must notify the Chief Executive Officer/Deputy Chief Executive Officer/Chief Financial Officer in writing of any dealing in securities of the Company within 3 market days from the date of trading.

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 which 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.

### **2) ANTI-BRIBERY POLICY**

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:

- Setting out a clear Anti Bribery policy (refer to Appendix A);
- Increase awareness of employees so that they can recognise and avoid the use of bribery by themselves and others;

- 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;
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.

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.

### **3. CONFLICT OF INTEREST**

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 does 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.

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 which relate to the business activities of the Company. This information shall be furnished to Human Resource & Administration Department.

This Code of Conduct and Business Ethics Policy was approved and adopted by the Board on 23 February 2018.

This Code of Conduct and Business Ethics Policy was last reviewed and revised by the Board on 26 November 2020.

# CODE OF CONDUCT & BUSINESS ETHICS POLICY

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## Appendix A – Anti-Bribery Policy

### 1 Policy Statement

**CABNET** (CabNet Holdings Berhad and/or any of its subsidiary companies, jointly or individually) applies “**Zero Tolerance**” against all elements related to Bribery and Corruption.

CABNET’s Anti-Bribery Policy presents the commitment of CABNET from its top level executives downwards in promoting a corporate culture of transparency, integrity and honesty in the conduct of its operations and activities legally and ethically.

“**Bribery**” - Bribery is the offering, promising, giving, solicitation or the receipt or agreement to receive any financial or other advantage, or any other inducement, or “**gratification**” (as defined and interpreted under Sec 3 of the **Malaysian Anti-Corruption Commission Act 2009**) from any person or company, (wherever they are situated and whether they are a public official or body, or a private person or company) by an individual employee, agent or other person or body acting on another’s behalf.

“**Corruption**” - Corruption is the abuse of entrusted power for a private gain.

This Policy is intended provide the principles and guidelines on how to deal with instances of activities which may constitute bribery and corruption practices.

### 2 Scope

**CABNET’s Anti-Bribery Policy** is applicable to all employees of CABNET, including its Executive and Non-Executive Directors, Senior Management, Management, Executives, Non-Executives, contract staffs and other individuals who are hired and or directly paid by CABNET.

It is also intended to apply to all CABNET’s contractors, suppliers, vendors, distributors and other third parties who carry out work or services for or on behalf of CABNET as well as customers and agents of customers who utilises CABNET’s services. All such parties are expected to adhere to CABNET’s Anti-Bribery Policy.

All employees of CABNET are required to follow the guidelines and standard operating procedures as set by the company’s **Anti-Bribery and Anti-Corruption Committee (“ABACC”)**.

### 3 Top Level Commitment

In order to ensure that CABNET comply with its Anti-Bribery Policy, top level management will spearhead the Group's efforts by carrying out the following:

#### 3.1 Anti-Bribery and Anti-Corruption Committee ("ABACC")

CABNET will establish an Anti-Bribery Anti-Corruption Committee comprising senior members of the management.

The first members of the ABACC will comprise of the following:

- (a) Deputy Chief Executive Officer (Chairman)
- (b) Operations (Central) – Chief Operating Officer (Deputy Chairman)
- (c) Operations (Southern) – Head of Projects and Sales
- (d) Finance – Group Finance Manager
- (e) HR and Admin – Head of HR and Admin
- (f) Business Development – Head of Business Development

The **Chief Executive Officer (CEO)** of CABNET may increase or decrease the number of members of the ABACC as deemed appropriate.

The ABACC will be responsible for reviewing, deliberating and where appropriate recommending or making a decision on any matters relating to bribery and corruption by or involving employees of CABNET.

If any matters relate to any member(s) of the ABACC, that member(s) shall abstain completely from deliberating or making any decision on such matter.

The ABACC will meet at least once every 3 months and summarise its work done.

Should there be any findings requiring further actions to be taken, the ABACC may report to the **Audit and Risk Management Committee ("ARMC") / Board of Directors ("BOD")**.

#### 3.2 Board of Directors ("BOD")

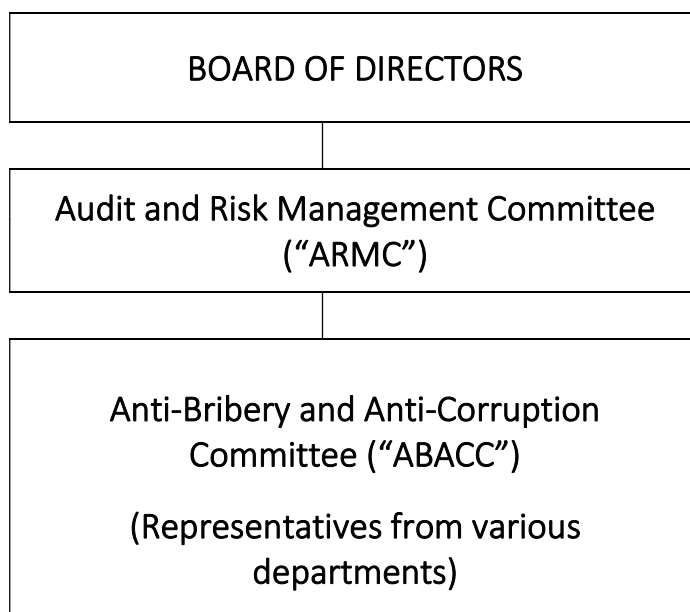
The BOD is responsible for overseeing the overall implementation of **CABNET's Anti-Bribery Policy** including the risk tolerance and related initiatives, controls or programs via the **ABACC** as well as the management team.

The BOD will address any bribery and or corruption issues that have been brought to their attention through the Group's **Whistle Blowing Policy** or from individual knowledge of any such issues and all matters brought to its attention from the ABACC.

The ABACC will review CABNET Anti-Bribery Policy yearly or as required by any legislation and propose any updates for the BOD's approval.

### 3.3 Authority and Reporting Lines

The Authority and Reporting Lines for CABNET Anti-Bribery Policy is as shown in the following structure:



### 3.4 Reporting channels

Any reports on Bribery or Corruption practices can be made to any of the members of the ABACC listed under Clause 3.1 by phone calls to **07-353 9008 (Ext. No. 106 / 108)** or email to [abacc@cabnet.asia](mailto:abacc@cabnet.asia) or through the avenues provided for under **CABNET Whistle Blowing Policy**. These reports received will be addressed by the ABACC within 72 Hours according to the procedures illustrated on page 12.

## 4 Risk Assessment

CABNET perform periodical risk assessment of all critical areas as part of their ISO 9001 procedures. These risk assessment are performed every quarter and presented to the BOD's Audit Risk Management Committee ("ARMC") during their quarterly meetings and covers Internal and External issues areas.

Effective from the 2<sup>nd</sup> Quarter of 2020, these risks assessments will include risks of bribery and corruption including opportunities for bribery and corruption, weaknesses (if any) in CABNET's governance framework and internal systems and procedures.

In addition, the ABACC will perform continuous monitoring activities of the various functioning departments in addition to the bribery and corruption risk assessments undertaken.

## **5 Undertaking Control Measures**

CABNET has implemented the following measures to promote anti bribery culture within the organisation such as:

- 1 All employees have to sign a declaration of their holding of significant interest in suppliers, customers or competitors as required under CABNET **Code of Conduct and Business Ethics Policy** on “**Conflict of Interest**”.
- 2 Employees are not allowed to conduct any other business which may conflict with their work or can give rise to corrupt practises as required under CABNET **Code of Conduct and Business Ethics Policy** on “**Outside Work**”
- 3 CABNET has written to their customers, suppliers and other related external parties of their Code of Conduct and Anti-Bribery policies requesting them to acknowledge and abide by CABNET **Code of Conduct and Business Ethics Policy** which includes its **Anti-Bribery Policy**.

Other measures undertaken by CABNET include due diligence processes on employees, customers, contractors, suppliers, vendors, distributors and other third parties. Such processes may include CTOS and background checks, verification of various documents including statutory and financial forms, interviews and site visits.

## **6 Systematic Review, Monitoring and Enforcement**

All employees are encouraged to report to management if they are aware of any corrupt practices taken place or suspected to have been taken place.

The ABACC will undertake auditing of the compliance of the CABNET Anti-Bribery Policy at least once a year and report any findings to the ARMC/BOD.

Actions, disciplinary, legal or otherwise may be taken against employees, customers, contractors, suppliers, vendors, distributors and other third parties who are found to be non-compliant to CABNET Anti-Bribery Policy.

CABNET Whistle Blowing Policy protects the whistle blower. Where reports are made to management, these will be treated with the same as the Whistle Blowing Policy procedures.

## **7 Training and Communication**

CABNET Code of Conduct and Business Ethics Policy including its Anti-Bribery Policy and Whistle Blowing Policy are available for viewing on the Group’s website [www.cabnet.asia](http://www.cabnet.asia).

Staff are briefed on CABNET's Anti-Bribery Policy upon recruitment and sign off their understanding and acceptance of CABNET Code of Conduct & Business Ethics Policy.

During the beginning of the year operational "**Kick Off**" meeting, managers are reminded of the Policy which they are to relate to their department staff. Training and other materials shall be provided during such sessions.

Customers, contractors, suppliers, vendors, distributors and other third parties will be notified of any updates of the Company's Anti-Bribery Policy through email or other channel which may be appropriate.

Directors and senior management have been informed of the consequences and penalties under the Malaysian Anti-Corruption Commission Act 2009. A new section, Section 17A (Offence by Commercial Organisation) comes into force on 1<sup>st</sup> June 2020.

## **8 Guidelines and Procedures**

### **8.1 Gifts Policy – "No Gift" Policy**

- 8.1.1 CABNET has adopted a "**No Gift**" policy whereby, except from exceptions as stated in Section 8.4, all employees, their family members or agent acting for or on behalf of the Group are prohibited from directly or indirectly receiving or providing gift.
- 8.1.2 It is the responsibility of employees to inform the external parties who are involved in any business dealings with CABNET that the Group practices a "**No Gift**" Policy.
- 8.1.3 There are certain types of gifts which are **never permissible** and employees should immediately refuse if it includes the following:
  - (a) Any gifts of Cash.
  - (b) Any gift that would be illegal or in breach of local or foreign anti-bribery and anti-corruptions laws.
  - (c) Any gift which is lavish or excessive i.e. valued above the maximum threshold permitted as listed on pages 10 and 11, by the Group or which may be deemed to have an adverse effect on the reputation of CABNET.
  - (d) Any gift that comes with a direct or indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable action or outcome is required from the employee or CABNET.
- 8.1.4 Due to the sensitivity of the matter, no gifts are permitted to be given to or received from any relevant parties (to the tender) during tender submission, one month prior to and after ("**Closed Period**") the closing date for submission of tender documents date, unless such period coincides with festive seasons such as Hari Raya, Chinese New Year or celebratory occasions. In these instances, prior approval must be obtained from the CEO.

## 8.2 Receiving Gifts

The directors are aware that in certain situations especially where the giving of gifts is part of business etiquette, the receiving of gifts can be a very sensitive matter so as not to be disrespectful or give a wrong impression to the giver.

Upon presented with a gift, employees are to immediately explain to the giving party the Group's "No Gifts" Policy and politely refuse or return such gifts. However, where it appears that the giver insist on giving, employees may accept the gift on behalf of the Group.

Under receiving any gifts, employees are expected to immediately or within three working days from receiving the gift to record the gift in the **Entertainment / Gift Form** and submit to their Head of Department ("**HOD**") and Head of Human Resource.

The ABACC who will decide whether to accept or return the gift.

Any gifts returned must be done in a polite manner by the HOD accompanied with a note of explanation about the Group's "No Gift" policy.

In the event the gift is retained, the ABACC will determine the treatment of the gift i.e. whether to:

- a) Donate the gift to charity; or
- b) Hold it for department display; or
- c) Share with other employees in the department; or
- d) Permit it to be retained by the employee.

**The procedures for receiving gifts are illustrated in the procedures on page 10.**

## 8.3 Providing Gifts

Generally employees are **not** allowed to provide gifts to third parties unless with the approval of their HOD / Executive Director / Chief Executive Officer. Certain types of gifts which are not allowed is referred to under Section 8.1.3.

The frequency of providing gifts and amounts should also be taken into consideration. Employees should not provide gifts to the same party more than an aggregate value per year of **RM2,500.00** unless with the prior approval of the CEO.

**The procedures for providing gifts are illustrated in the procedures on page 11.**

## 8.4 Exceptions to the "No Gift" Policy

Any gifts or contribution done during the Group's corporate function e.g. annual dinner, family day, appreciation dinner, etc. will not be regarded as bribery and is acceptable. However, the value of the gift or contribution should not be lavish or extravagant.

Although generally the Group practices a "No Gift" Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:-



- a) Exchange of gifts at Company-to-Company level (e.g.: gifts exchanged between companies as part of an official business visit / courtesy call and thereafter the said gifts will be treated as Company property;
- b) Token gifts (RM100.00 or below per item) which normally bears the company name, logo, or trademark (e.g. t-shirts, pens, diaries, calendars, door gifts for company events and other small promotional items) that are given out to customers, suppliers, partners and key stakeholders attending events as part of the Group's brand building, sales or promotional activities, investors/ analyst briefings or general meetings; and
- c) Gifts to external parties (in cash, cash equivalent or gifts in-kind to welfare homes, charitable organizations, NGO's, etc.) who have no business dealings with CABNET and whose primary activities are in line with CABNET's corporate social responsibilities, sustainability initiatives and corporate values.
- d) Sponsored events by principals in connection with improving technical skills or launching of new products.

## **8.5 Entertainment**

CABNET recognizes that giving or receiving entertainment is a legitimate way of business networking, developing business relationships and to foster good business relationship with external parties. Eligible employees are allowed to entertain external parties through a reasonable act of hospitality with the approval of their HOD.

Upon giving entertaining or receiving any entertainment, employees are expected to immediately or within three working days from such to record the entertainment in the **Entertainment / Gift Form** and submit to their Head of Department ("**HOD**") and Head of Human Resource.

The procedures for giving or receiving entertainment are illustrated in the procedures on page 10 and 11.

Employees and Directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cast undue influence on any party in exchange for future benefits or results.

Certain types of entertainment activities are prohibited and employees should immediately refuse if it involves the following:

- a) Any provision of entertainment activity with a direct / indirect suggestion, hint, understanding or implication that a desired expectation, return or outcome is required.
- b) Any entertainment activity that is unethical, immoral, illegal or in breach of local or foreign anti bribery laws.
- c) Any entertainment activity that would be perceived as extravagant, lavish and excessive or may adversely affect the reputation of CABNET. The limit for entertainment, apart from those of the Executive Directors ("**ED**"), is restricted to a maximum of RM500.00 per headcount per event. Any amount exceeding this threshold requires the approval from the Chief Executive Officer.

- d) Any entertainment activity that is sexually oriented, contains religious, racist or political overtones or may otherwise tarnish the reputation of CABNET.

## 8.6 Corporate Hospitality and Sponsored Travel Trips

Defined as “corporate events or activities organized by a company in the Group which involves the entertainment of employees and third parties for the benefit of the Company or the Group”. Corporate events and activities include but are not limited to dinners, concerts or other activity based events such as golf tournaments, marathons, sporting events, etc. Sponsored travel trips include trips organised by principals and suppliers including trips related to training and introduction of products and new technology.

Corporate hospitality and sponsored travel trips (“**Corporate Hospitality**”) are recognized as a legitimate and ethical way to network and build goodwill in business relationships. Employee must exercise proper care and judgment before providing to or accepting corporate hospitality from third parties. Any corporate hospitality activity that would include or involve governmental departments or officials requires the prior approval from the Chief Executive Officer.

Corporate hospitality activities shall not be permitted and should be turned down / refused if it involves illegal and unethical activities, that are overly lavish, extravagant or which involvement may adversely affect the reputation of CABNET. Any corporate hospitality activity that may be immoral, sexually oriented, contains undue religious or political overtones or may otherwise tarnish CABNET’s reputation should be immediately declined. However support for religious and cultural events that is in line with the Group’s sustainability policy, corporate social responsibilities and corporate values is permissible.

The spending limit for corporate hospitality events is RM100 per headcount per event. Any amount exceeding this threshold shall require the prior approval of the Chief Executive Officer.

## 8.7 Sustainability and Corporate Social Responsibility / Donation / Sponsorship

As part of CABNET's commitment to Sustainability and Corporate Social Responsibility (“**CSR**”) activities, the Group may provide such financial assistance or contributions in kind as may be appropriate in each circumstances. All charitable donations, contributions and sponsorship, provided by CABNET must be compatible with our business activities and in line with our Sustainability Policy and reflect the Group’s values and ethics.

Charitable donations or sponsorship can only be made to properly established / registered charities or organizations where:

- There is a valid charitable purpose/cause for the donation and the donation or sponsorship is ethical or not prohibited by local laws;
- The donation or sponsorship is not made to secure an improper business advantage;
- The transaction is properly recorded as a 'donation' or 'sponsorship'.

CABNET shall not make any manner of political donations and must take the necessary steps to ensure that the Group is not implied, whether directly or indirectly, to be supporting or is in any way affiliated/associated with any political party, political candidate (independent or otherwise), or with any other organization including non-governmental organization (“NGO”) whose activities are primarily political or advocacy of matters of a political nature. To avoid any doubts, the charter of these organizations that the Group intends to support shall be reviewed by the ABACC and may at the Committee’s discretion, be referred to the Chief Executive Officer for a final decision.

Employees are free to make personal donations provided such payments are not purportedly to be made on behalf of the Group and are not to obtain any form of advantage in any business transaction involving CABNET.

## **8.8 Kickback Payments**

Kickback payments are typically payments made in return for a business favour to secure contracts or orders or obtain improper advantage in business transactions. All employees must avoid any activity that might lead to kickback payments. Any form of kickback payments must be rejected.

All incidences of such kickback requests must be immediately reported to the ABACC Committee.

## **8.9 Financial and Non-Financial Controls / Record Keeping**

The Group Finance Manager shall implement and administer financial and accounting controls related to such payments and these controls should be designed to detect and prevent improper payments under anti bribery laws and provide reasonable assurance on the accuracy of all financial records with respect to such payments. All accounts, invoices and other documents and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness and properly stored for easy future reference.

All gifts, entertainment and hospitality, as well as promotional or marketing payments, charitable contributions, donations and sponsorships must be properly declared, approved and recorded. A summary of the non-compliance activities will be reported to the ABACC quarterly or whenever necessary and subsequently reported to the Chief Executive Officer for action.

CABNET has also implemented non-financial controls such as **Limits of Approval Matrix (“LOAM”)** to govern all functioning departments, background checks on customers, contractors, suppliers, vendors, distributors and other third parties.

The Internal audit work cycles performed by CABNET’s outsourced Internal Audit function which is based on the Internal Audit Plan approved by the ARMC and any subsequent approved amendments thereof may include compliance audits relevant to this policy.

**Receiving Entertainment / Gift Procedures**

Responsibilities	Flowchart	Records
Employee / HOD	<pre> graph TD     A[Entertainment/Gift offered by Third Party] --&gt; B{Accept?}     B -- No --&gt; C[End]     B -- Yes --&gt; D[Register entertainment /gift with HR]     D -- No --&gt; E[Reported]     E --&gt; F[ABACC Investigation/ disciplinary action]     D -- Yes --&gt; G[ABACC to decide on further action to be taken, if any]           </pre>	
Employee / HR personnel		Entertainment / Gift Form
ABACC		ABACC minutes/ Warning letter, etc  Entertainment / Gift Received Register

**Note:**

- 1 Gifts include Hospitality (events), Sponsored travel tickets/trips (training or otherwise), credits to accounts, vouchers (discount or otherwise).
- 2 Entertainment include meals and or drinks provided, company functions (annual dinners, etc)
- 3 Threshold amounts for the above are as follows:
  - (a) Gifts to company during occasions (Eg. Hampers)
 

- By Executive Directors	: RM2500
- By other employees	: RM500
  - (b) Individual gifts (Eg. Door gifts, promotional items, vouchers) : RM100
  - (c) Entertainment received per employee, excluding ED : RM500

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## Giving Entertainment / Gift Procedures

Responsibilities	Flowchart	Records
Employee / HOD	<pre> graph TD     A[Entertainment / gift given] --&gt; B{Allowable entertainment?}     B -- Yes --&gt; C{Approved?}     C -- Yes --&gt; D[Fill in Entertainment / Gift Form]     D --&gt; E[ABACC to decide on further action to be taken, if any]           </pre>	Receipts / Claim form
HOD		
Employee		Entertainment / Gift Form
ABACC		Entertainment / Gift Register

**Note:**

- 1 Gifts include Hospitality (events), Sponsored travel tickets/trips (training or  
otherwise), credits to accounts, vouchers (discount or otherwise).
- 2 Entertainment include meals and or drinks provided, company functions (annual  
dinners, etc)
- 3 Threshold amounts for the above are as follows:
- 4 (a) Gifts during occasions (Eg. Hampers)
- |  |   |        |
|--|---|--------|
| - By Executive Directors   | : | RM2500 |
| - By other employees   | : | RM500  |
| (b) Individual gifts (Eg. Door gifts, promotional items, vouchers) | : | RM100  |
| (c) Entertainment provided per headcount, excluding ED             | : | RM500  |

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**Investigation Procedures for Reports Received**

Responsibilities	Flowchart	Records
ABACC Member who received report	<pre> graph TD     A[Reports Received – ABACC / Whistle Blowing] --&gt; B[Call for Meeting within 72 Hours]     B --&gt; C[Collect facts, documents, evidence]     C --&gt; D{Further Action Required?}     D -- No --&gt; E[End]     D -- Yes --&gt; F[Call person reported for interview]     F --&gt; G{Further Action Required?}     G -- No --&gt; H[End]     G -- Yes --&gt; I[Report and Recommendations to ARMC / BOD]           </pre>	Register
ABACC		Documents, etc (if any)
ABACC		Minutes / Recorder

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