



## **IQ GROUP HOLDINGS BERHAD**

(Company No. 636944-U)

(Incorporated in Malaysia under the Companies Act, 1965)

### **Code of Business Conduct and Ethics**

#### **1. Introduction**

This Code of Business Conduct and Ethics (“Code”) summarizes the standards that must guide our actions. While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles that represent Company policies and establish conditions for employment at IQ-Group.

We strive to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all of the Company’s business activities including, but not limited to, relationships with employees, customers, suppliers, competitors, the government and the public, including our shareholders. All of our employees, officers and directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well-intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

One of our Company’s most valuable assets is our reputation for integrity, professionalism and fairness. We recognize that our actions are the foundation of our reputation and adhering to this Code and applicable law is imperative.

#### **2. Compliance with Laws, Rules and Regulations**

We are strongly committed to conducting our business with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No employee or director of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason.

If you believe that any practice raises questions as to compliance with this Code or applicable law, rule or regulation or if you otherwise have questions regarding any law, rule or regulation, please contact IQM CEO office.

#### **3. Prevention Abuse of Power**

The abuse of power refers to an improper use of a position of influence, power or authority by employee or director in the course of performing work, which causes personal harm or counterproductive work behavior. Abuse of power is strictly prohibited

and failure to comply may result in disciplinary action in accordance with company's disciplinary procedures.

#### **4. Insider Trading**

Using non-public, Company information to trade in securities, or providing a family member, friend or any other person with a "tip", is illegal. All such non-public information should be considered inside information and should never be used for personal gain.

#### **5. Money laundering**

Money laundering refers to any suspicious or inappropriate transaction or attempted transaction or proposed transaction of money that appears unusual and has no clear economic purpose; involve unusual and large amount of cash that does not commensurate with customer's profile or business activities or transactions and involve proceeds from some unlawful activities (e.g. terrorism financing activities).

The employee and director are prohibited and expected to be mindful of the risk of money laundering activities within IQ-Group and to raise any suspicious transaction, bribery or financing of terrorism to immediate supervisor/manager or CEO office.

#### **6. Protection of Confidential Proprietary Information**

Confidential proprietary information generated and gathered in our business is a valuable Company asset. Protecting this information plays a vital role in our continued growth and ability to compete, and all proprietary information should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

Proprietary information includes all non-public information that might be useful to competitors or that could be harmful to the Company, its customers or its suppliers if disclosed. Intellectual property, such as trade secrets, patents, trademarks and copyrights, as well as business, research and new product plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists and any unpublished financial or pricing information must also be protected.

Unauthorized use or distribution of proprietary information violates Company policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions.

Your obligation to protect the Company's proprietary and confidential information continues even after you leave the Company, and you must return all proprietary information in your possession upon leaving the Company.

#### **7. Conflicts of Interest**

Our employees and directors have an obligation to act in the best interest of the Company. All employees and directors should endeavor to avoid situations that present a potential or actual conflict between their interest and the interest of the Company.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiaries and affiliates. A conflict of interest can arise when an employee, or director takes an

action or has an interest that may make it difficult for him or her to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee or director (or his or her family members) receives improper personal benefits as a result of the employee's or director's position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations that may constitute a conflict of interest:

- Working, in any capacity, for a competitor, customer or supplier while employed by the company.
- Accepting gifts of more than modest value or receiving personal discounts or other benefits as a result of your position in the Company from a competitor, customer or supplier.
- Competing with the Company for the purchase or sale of property, services or other interests.
- Directing business to a supplier owned or managed by, or which employs, a relative or friend.

Situations involving a conflict of interest may not always be obvious or easy to resolve. You should report actions that may involve a conflict of interest to the CEO office.

In order to avoid conflicts of interests, each of the senior executive must disclose to the CEO Office any material transaction or relationship that reasonably could be expected to give rise to such a conflict, and the CEO office shall notify the Board of Director for such disclosure.

Employees and directors must make disclosure of interest on an annual basis, or upon any change in directorship or interests using the Declaration of Conflict of Interest Form. In all cases where a perceived, potential or actual conflict of interest arises, the conflict should be transparently declared via the Form to help to protect the integrity and reputation of the Group and the employees and directors.

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

The Group believes that honesty and integrity provide the best foundations, the Group is committed to the highest standards of ethical and moral practice. Integrity is a commitment to always doing what is right and preventing wrong-doing when employees and directors encounter it. Commitment comes from top down, with the Board of Directors is ultimately having oversight responsibility for the implementation of anti-bribery and corruption policies.

The Group is guided by a spirit of honesty and integrity. It upholds these values and strives to instil them both in the Group's culture and in the Group's relationship with stakeholders, customers, employees, vendors and external communities.

The Group is committed to:

- Fair, honest & transparent conduct of business;
- Never offering bribes, whether directly or indirectly, to gain a business advantage;
- Never accepting bribes, whether directly or indirectly, to gain business advantage; and
- Full & consistent support to zero corruption policy.

The Group pledges to conduct business that is always free from corruption and in accordance with the Anti-Corruption Principles for Corporations in Malaysia.

A “bribe” or a “gratification” as defined in Malaysian Anti-Corruption Commission Act 2009 is:

- 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;
- any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- any forbearance to demand any money or money’s worth or valuable thing;
- 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
- any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs as above.

The Group has adopted a zero-tolerance policy against all forms of bribery and corruption. Each employee and director of the Company should endeavor to deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No bribes, kickbacks or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. The Company and the employee or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

Refer to Anti-Bribery and Corruption Policy for further details.

### **9. Gift, Entertainment, Hospitality and Travel**

Employees and directors 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.

Only in very limited, rare and defined cases is it permissible for employees and directors 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.

Occasional business gifts to and entertainment in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of Company business. However, these gifts should be given infrequently and their value should be modest. Gifts or entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

Refer to Gift, Entertainment, Hospitality and Travel Policy for further details.

### **10. CSR, Donation and Sponsorship Policy**

The Group prohibits the use of CSR, donations and sponsorships with an intention to influence business decisions or was otherwise intended or given with the expectation of gaining any advantage, or which may adversely affect the Group's reputation.

Refer to CSR, Donation and Sponsorship Policy for further details.

### **11. Facilitation Payments**

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

Employees and directors are prohibited from, directly or indirectly, accepting or obtaining or attempting to accept or obtain or provide facilitation payments from any person for themselves or for any other persons.

Refer to Anti-Bribery and Corruption Policy for further details.

### **12. Dealing with Public Officials**

Caution must be exercised when dealing with public officials as the laws of bribery and corruption in some countries are more stringent and provides for stricter punishments. Providing gift, entertainment or corporate hospitality to public officials or their family/household members is generally considered a 'red flag' situation in most jurisdictions.

If approval is obtained for employee to provide gift, entertainment, or corporate hospitality to public officials, employees and directors must ensure that the gift, entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity. Employee should seek guidance from Human Resource Department prior to providing any gift, entertainment or corporate hospitality to public officials.

Refer to Anti-Bribery and Corruption Policy for further details.

### **13. Political Contributions**

The Group may, in very limited circumstances, make political contributions in countries where such contributions are permitted under the law.

The authority to approve such political contributions is with the Chief Executive Officer/ Managing Director of the Group.

Refer to Anti-Bribery and Corruption Policy for further details.

### **14. Equal Opportunity and Non-Discrimination**

The Company's policies for recruitment, advancement and retention of employees forbid discrimination on the basis of any criteria prohibited by law, including but not limited to race, gender, age, belief or political inclination. Our policies are designed to ensure that employees are treated, and treat each other, fairly and with respect and dignity. In keeping with this objective, conduct involving discrimination or harassment of others will not be tolerated. All employees are required to comply with the Company's policy on equal opportunity, non-discrimination and fair employment.

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

The Company is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Company strives to provide a safe and healthy work environment for our employees and to avoid adverse impact and injury to the environment and communities in which we conduct our business. Achieving this goal is the responsibility of all employees and directors.

### **16. Quality of Public Disclosures**

The Company has a responsibility to provide full and accurate information in our public disclosures, in all material respects, about the Company's financial condition and results of operations. Our reports and documents filed with or submitted to the Securities and Exchange Commission and our other public communications shall include full, fair, accurate, timely and understandable disclosure.

### **17. Compliance with This Code and Reporting of Any Illegal or Unethical Behavior**

All employees, directors and officers are expected to comply with all of the provisions of this Code. The Code will be strictly enforced throughout the Company and violations will be dealt with immediately, including subjecting persons to *corrective and/or disciplinary action such as dismissal* or removal from office. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities.

Situations which may involve a violation of ethics, laws or this Code may not always be clear and may require difficult judgment. Employees should report any concerns or questions about violations of laws, rules, regulations or this Code to their supervisors/managers or CEO office or in the case of accounting, internal accounting controls or auditing matters, report should be extended to the Board of Directors.

### **18. Waiver**

Any waiver of the application of principles set forth in this Code may only be made by IQ Board of Director as it deems fit and appropriate.

**19. Review**

This Code shall be reviewed by the Board of Director every three (3) years or as required when internal or external events warrant us to do so.