

**TASHIN**  
**TASHIN HOLDINGS BERHAD**  
Registration No : 201701028709 (1242878-H)

# Code of Conduct and Ethics

---

<b>POLICY AND PROCEDURE</b>			
<b>Document Title:</b>	Code of Conduct and Ethics		
<b>Ref No:</b>	1.0		
<b>Originator:</b>	Tashin Holdings Berhad	<b>Applicable To:</b>	Tashin Holdings Berhad and its subsidiaries
<b>Revision No:</b>	New	<b>Effective Date:</b>	22 April 2020

Tashin Holdings Berhad and its subsidiaries and/or associated companies (where applicable) (collectively, the “Group”) is committed to a high standard of professionalism, ethics and integrity in the conduct of our business and professional activities as set out in this Code of Conduct and Ethics (the “Code”).

The Code applies to everyone working for the Group, regardless of location, role or level of seniority. This includes all employees, temporary and contract employees, company directors, consultants, agents and any other third-party who acts in our name to follow the principles of the Code.

Each of the abovementioned person (each a “Party”) is responsible for fully understanding and complying with the Code. Each Party may be required to undertake training as may be necessary, and provide an affirmation that he has read, fully understood and will comply with the Code. Reference to “Company” in this Code shall mean the relevant company within the Group with who each Party has a contractual relationship.

The Code also forms part of the terms and conditions of employment/engagement. Any failure to comply with the Code, or the Group policies will be treated very seriously by the Group. Such failure shall constitute misconduct and may result in disciplinary action, up to and including termination of employment (for employees) or termination of relationship with the Company (for contractors and others).

All reference of the masculine gender shall include the feminine gender unless otherwise expressly stated. All words importing the singular number shall include the plural number and vice versa.

### **1. REPORTING AND REVIEW**

Tashin employees is to report any breach of compliance with our Code.

The reporting of non-compliance with our Code may either be made to:

- (a) the line manager; or
- (b) any Head of Department; or
- (c) the Managing Director;

or may be made in accordance with Tashin’s Whistle-Blowing Policy.

The provision of our Code may be amended, varied, deleted, substituted or updated from time to time.

### **2. PROFESSIONAL CONDUCT**

All employees shall observe and adhere to the highest standards of professional conduct. They should, in all respects and at all times, conduct themselves with integrity, propriety

and decorum and must not under any circumstances, commit any act or omission that would bring damage to the Company, its property, reputation or general interest.

Employees are expected to have respect and tolerance for other cultures and religions than those of their own whether locally or overseas and shall conduct themselves in accordance with accepted standards of behaviour.

The Company does not tolerate any form of abusive or coercive behaviours whether verbal or otherwise, physical violence or sexual harassment among its employees.

### **3. DISCIPLINE**

The maintenance of discipline, good conduct and good behaviour amongst the Tashin Group is important in running the business and is for the common good of Tashin Group and its subsidiaries and/or associated companies.

The term “misconduct” means an improper behaviour, act or conduct in relation to duties or work which is inconsistent with the due performance of obligation to Tashin Group, its subsidiaries and/or its associated companies and includes a breach of discipline or violation of our Code or the rules and regulations as set out in any handbook, policies, guidelines or procedures statements or in any documentation of Tashin Group.

Subject to the requirements of applicable law, disciplinary action may be taken against any person to whom our Code applies for misconduct or for non-compliance with our Code or non-compliance with laws, regulations, rules, policies and procedures.

### **4. RESPONSIBILITIES REGARDING CODE OF CONDUCTS AND ETHICS**

#### **1. Responsibilities of Directors**

In the performance of his duties, all Directors should at all times observe the principles as provided in the Terms of Reference for the Board of Directors and the Code. These principles are not limited to the following:

- To oversee the conduct of the business of the Company and to evaluate whether the business is being properly managed;
- To exercise reasonable care, skill, diligence and apply good judgement when discharging his duty and to act in the best interest of the Company;
- To identify principal risks and ensure the implementation of appropriate systems to manage these risks;

- To review the adequacy and integrity of the Company's internal control and management information systems;
- To adhere and comply with all rules, principles and guidelines of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, Malaysian Code on Corporate Governance, Code of Ethics for Company Directors and all other applicable laws, regulations, rules, directives and guidelines, where relevant;
- To establish an internal audit function in order to obtain assurance of regular review and/or appraisal of the effectiveness of the system of internal controls within the Company; and
- To manage the interest and expectation of shareholders, employees, creditors and customers of the Company.

## **2. Responsibilities of Management**

The Management should at all times observe the principles as provided in the Code and these principles are not limited to the following:

- To ensure that all employees under their supervision receive and execute an acknowledgement of receipt of a copy of the Code during their course of employment or when the new employee reports for duty;
- To ensure that all employees are conversant with the Code by providing guidance through conducting orientation programme for new employees and for other employees by providing training on business ethics behaviour and legal compliance relevant to the employee responsibilities from time to time;
- To ensure that the Code forms part of the Company's orientation program;
- To ensure that all standards, policies and procedures comply with the Code and are communicated to all Employees under their control;
- To report any violations of the Code up through the chain of command;
- Ensuring that all ethical matters that cannot immediately be decided on are properly escalated to appropriate level;
- To protect employees or suppliers/business partner against any form of retribution and retaliation who in good faith and with a reasonable basis reported possible violation of the Code; and

- Any members of the Management, who in the course of performance of his duties has reasonable belief of any matter which may not or will constitute a breach of non compliance/observance of any requirement or provision of the Companies Act 2016 or its regulations, or has reason to believe that a serious offence involving fraud or dishonesty has been, is being or is likely to be committed, he shall forthwith report the matters in writing to the Board of Directors.

### **3. Responsibilities of Employees**

Employees should at all times observe the principles as provided in the Code. These principles are not limited to the following:

- To be knowledgeable and conversant with the Code and ensure that the Company's business is conducted with honesty and integrity and in a professional manner;
- To abide by the behaviour embodied in the Code and comply with all legal requirements and the Company's policies and procedures;
- To keep a copy of the Code for personal reference;
- To seek advice and information from their supervisors when needed;
- To report any violation of the Code up through the chain of command;
- Ignorance of the Code will not be an excuse.

### **5. CONFLICTS OF INTERESTS**

Each of us has a responsibility to the Company, and to each other. Although this duty does not prevent us from engaging in personal transaction and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. The Company is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety. A conflict of interest may make difficult for an employee to perform his or her work objectively and effectively. An employee shall recuse himself or herself as soon as he is aware of the conflicts of interest, and must fully disclose such conflict or interest to his or her manager prior to engaging in any business or related activity that may lead to a conflict of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Example include :

**i) Employment/Outside Employment**

In consideration of your employment with the Company, you are expected to devote your full attention to the business interest of the Company. You are prohibited from engaging in any activity that interferes with your performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting simultaneous employment with a Company supplier, customer, competitor or from taking part in any activity that enhances or supports a competitor's position. Additionally, you must disclose to the Company any interest that you have that may conflict with the business of the Company. If you have any questions on this requirement, you should contact your supervisor or the Human Resources Department.

**ii) Business Interest**

If you are considering investing in a Company customer, supplier or competitor, you must first take great care to ensure that these investments do not compromise your responsibilities to the Company. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; your access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

**iii) Related Parties**

As a general rule, you should avoid conducting Company business with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role. Relatives include spouse, sister, brother, daughter, son, mother, father, grandparents, aunts, uncles, nieces, nephews, step relationships, and in-laws. Significant others include persons living in a spousal-type (including same sex) or familial fashion with an employee.

If such a related party transaction is unavoidable, you must fully disclose the nature of the related party transaction to the Human Resources Department, the Company's Audit Committee must review and approve in writing in advance such related party transaction. The most significant related party transactions, particularly those involving the Company's directors or executive officers, must be reviewed and approved in writing in advance by the Company's Board of Directors.

### iv) **Other Situations**

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Human Resources Department.

## 6. **CORPORATE OPPORTUNITIES**

Employees, officers and directors may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors declines to pursue such opportunity.

## 7. **PROTECTING THE COMPANY'S CONFIDENTIAL INFORMATION AND ASSETS**

### 1) **Information Communication Technology**

All Tashin Group's computer and other information and communication technology (ICT) facilities must be safeguarded against theft, damage and improper usage. Tashin Group does not permit the usage of ICT facilities involving sensitive and illegal matters, infringement of intellectual property rights, unauthorised access, misuse of the Tashin Group's time and resources and risking of the integrity of Tashin Group's ICT facilities.

To the extent allowed by applicable laws, Tashin Group reserves the right to monitor each employee's email messages, instant messaging blogs, use of the internet and contents in company issued ICT facilities. This information can be recovered and used as evidence in domestic proceedings and court of law or disclosed to the authorities or regulatory bodies as the case may be.

Each employee must use Tashin Group's ICT facilities responsibly and primarily for the business purposes for which they are intended. The ICT facilities include access to the internet, intranet, email services and all other ICT hardware, software, systems and peripherals.

### 2) **Confidentiality, Privacy and Protection of Company Information**

Tashin Group values and protects all confidential, proprietary and personal information. Tashin employees may be given by or may have obtained access to confidential, proprietary or personal information from any member to the Tashin Group or its customers, suppliers or other stakeholders/parties.

Employees must take measures to avoid unauthorized disclosure, e.g. by securing access to confidential company records. Employees must not communicate or disclose confidential, proprietary or personal information to competitors, customers, suppliers, consultants, service providers, trade associations or other third parties unless such communication or disclosure is authorized by Tashin and a non-disclosure agreement (or confidentiality agreement) has been signed. Confidential, proprietary or personal information or ideas received from third parties should not be used, processed, disclosed or communicated unless the third parties' consent has been obtained and the appropriate safeguards are in place.

- Employee must be aware that any unlawful or unauthorized disclosure of confidential, proprietary or personal information may result in irreparable loss and/or damage to the Tashin Group. In such cases, Tashin or the relevant Tashin Group entity may institute civil and criminal proceeding against the offending party. Any employee found guilty of such misconduct may also be subject to disciplinary action which may include dismissal.
- It is equally important that confidential, proprietary or personal information is only disclosed to other Tashin employee on a need to know basis.

All employees have an obligation to continue to preserve the confidential, proprietary and personal information even after the appointment/employment has ceased, unless disclosure is required by law, an order of any court of competent jurisdiction or any governmental or regulatory authority.

Misappropriation of property owned by Tashin Group, employees, customers or suppliers will not be tolerated. Any misappropriation should be reported immediately and properly investigated. Appropriate disciplinary and/or legal action will be taken.

### **3. Intellectual Property**

Intellectual property (IP) is a property right derived from creation of the mind through intellectual or discovery efforts in industrial, scientific, literary and artistic fields which can be developed and protected. Examples of IP include patent, trademark, copyright, industrial design, trade secrets and know-how. In accounting or financial terms, it is regarded as intangible assets. Employees have a responsibility to protect these assets.

- Any invention, improvement, literary rights, copyrights, trademarks, patents and/or new discoveries (IP) which originates from or is conceived by the employee, whether alone or with any person or persons while in the employment of the company, which relates either directly or indirectly to the company, shall belong to and be the absolute property of the company.



- The employee shall promptly disclose to the Company all such IP made by him alone or with any person or persons and shall hold them in trust for the company.
- The employee shall assign and hereby agrees to assign to the Company any and all rights to the IP, as and when directed by the Company and further agrees that the Company and its successors and/or assigns shall have the absolute right to use experimentally or commercially the IP or any part therefore.
- The employee shall at the request and expense of the Company do all things necessary or desirable to substantiate the rights of the Company.
- This provision shall not apply to any invention for which no equipment, supplies, facilities, know-how or trade secret information of the Company was used and which was developed entirely on the employee's personal time and which does not relate to the business of the Company, directly or indirectly, or the Company's actual or demonstrated
- Any acquisition, disposal, transfer, licensing of or dispute relating to IP must be referred to the Tashin Group legal department for assistance. The acquisition, disposal, transfer or licensing of patents, trademarks, copyrighted works or other IP rights is subject to Management approval and contractual safeguards. In any event, no statement regarding the ownership, validity, scope, or enforceability of IP rights should be made by Tashin employees without the involvement of Tashin Group's legal department.

## **8. INSIDER TRADING**

Insider trading is defined broadly to cover situations where employees 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 Employee may have such information by virtue of their position in the Company or because someone in such position may have provided them, directly or indirectly, with the information.

### **1. Definition**

Insider trading includes trading in the following categories:

- Employee's own company;
- Principals, subsidiary and associated companies;
- Customer or supplier companies; and

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

### 2. Insider

An insider includes:

- All directors, whether executives or non-executive;
- All employees;
- Family of directors and employees;
- Beneficial trusts of all the above mentioned;
- Other persons acting on behalf of or in conjunction with the abovementioned.

Employees must ensure that all transactions in the securities of the Company comply with the procedures, rules and guidelines set out in Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Companies Act 2016 and any other laws, regulations, rules, directives and guidelines on trading of securities.

In the context of Malaysian law, insider trading is an offence defined under the Capital Markets and Services Act 2007. The laws of other country on insider trading may be applicable in the context of inside information concerning company listed outside of Malaysia.

## 9. USE OF PROPERTIES (EQUIPMENT, FACILITIES, RESOURCES)

Company properties, its equipment, facilities and resources are to be maintained and used in economical and efficient manner. These properties include, but are not limited to:

### 1. Uniforms/Appearance

Uniforms or any other attire bearing the Company's name and/or logo are a reflection of the Company's image. Therefore, all employees must be suitably attired and groomed at all times at the work place. They are expected to maintain a dignified appearance and be neat, presentable, clean tidy.

Uniformed staffs are expected to wear their respective uniforms at all time in the work place during working hours.

Casual attire including t-shirts, sport shoes, slippers and sandals are not allowed in the work place except only on Saturday.

### **2. Office Equipment and Facilities**

Office furniture and fittings, work areas, restrooms, pantries and praying areas are to be used by Employees with proper care and maintenance. Lights and electrical appliances should be switched off after use and at the end of the day.

### **3. ID/Access Card**

Employees shall not tamper with or deface their ID/Access card. If your ID/Access card is lost, it can be replaced at a cost determined by the Company.

### **4. Usage of Company E-Mail Facility**

The Company maintains and provides an electronic mail (e-mail) system to assist in the conduct of business within the Company. The use of the Company e-mail system is reserved solely for the conduct of business at the Company. It may not be used for personal business including but not limited to the soliciting or proselytizing of commercial ventures, religious or political causes, outside organizations or other non-job-related solicitations.

All messages composed, sent or received on the Company e-mail system are and remain the property of the Company. The Company reserves and intends to exercise the right to review, audit, intercept, access and disclose all messages created, received or sent over the Company e-mail system for any purpose.

The Company e-mail system shall not be used to send or forward any information on the Company's or the Group's customer, business, operations, policies, notifications or circular intended for internal use to any party outside the Company via e-mail without the prior approval from head of department (for employees) or the Company (for contractors and others).

The Company e-mail system must not be used to create any offensive or disruptive messages i.e. any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's age, sexual orientation, religious or political beliefs, national origin or disability.

Any employee who discovers a violation of the e-mail usage policy shall notify his or her superior (for employees) or the Company (for contractors and others) immediately.

### **5. Employee's Use of Social Media**

Employees must always be aware that all Group personnel are always viewed as ambassadors of the Group, credible spokespersons of the Group and technical/industry experts.

Thus, at all times no member of the Group shall approve or support any action or activity that in any way brings the Company into ill repute or create negative publicity for the Group. As an ambassador of the Group, employees must consistently act with honesty and integrity and be mindful of the implications of their action or activity on the Group.

Employees are expected to maintain the same high standards of conduct and behaviour online as would be expected elsewhere and/or outlined in the Code. This includes but not limited to:

- being apolitical and professional
- behaving with respect and courtesy, and without harassment
- dealing appropriately with information, recognizing that some information needs to remain confidential
- being sensitive to the diversity of Malaysia
- taking reasonable steps to avoid conflict of interest

### **6. Use of Company Software**

Computer Application Software is used for helping employees to perform their job efficiently and effectively. Such software usage in the Company are spelled clearly in the terms and conditions provided by the software vendors. It is the Company's policy to respect and follow the government's copyright laws and observe the terms and conditions of the licence agreements. Copyright laws in Malaysia and other countries impose civil and criminal penalties for illegal reproduction and use of licensed software. Employees must be aware of the restrictions on the use of software and abide by those restrictions.

Illegal software – employees are prohibited to install, load or download any illegal software into the Company's personal computers.

### **7. Company Vehicles**

Company vehicles are provided only for the use of authorized employees and for official work purposes only. Any private use is only a privilege and not an absolute right. Unauthorized carrying of other passengers in these vehicles is strictly prohibited.

### **8. Company Time**

Whilst at the workplace, employees are expected to be fully engaged in their work, devote the necessary time in order to fulfil job responsibilities and not undertake personal activities. Employees who are required to report their hours worked must do so truthfully and accurately.

## **10. FINANCIAL AND ACCOUNTING INTEGRITY**

Financial and accounting integrity represents part of corporate professionalism. Accurate and honest recording and reporting of financial information are essential to the Company's credibility and reputation. The Company establishes and maintains internal procedures and controls to ensure the integrity of the Company's financial reporting and legal compliance. Employees are to refer to the Finance Department for detailed policies and procedures to meet regulatory obligations.

### **1. Proper Disbursement of Funds and Other Assets**

Funds and other assets of the Company must be used for proper and legal business purposes only. All financial transactions and disbursement must be authorized and recorded. At all times when a payment is disbursed or received, it can only be used for purposes spelt out.

To avoid incurring unauthorized commitment or transaction, authorization to act on the Company's behalf shall be in accordance with the Level of Authority (LOA) approved by the Board of Directors, where applicable. All expenses must be approved as per the LOA and comply with the Company's finance/accounting policies.

### **2. Proper Recording and Documentation**

The Company's books and records shall only contain true, complete, proper and accurate information. It is the Employees' obligations to reflect accurately in the records, financial books and accounts the transaction and events taking place with conformity to all required accounting principles, standards and internal control. To ensure proper recording and documentation, Employees shall:

- not make or permit entries to be made to any account, record or document with the intention to falsify, mislead or obscure the true nature of the transaction or authorization limits;
- not show lack of concern for any inaccurate, false or misleading data and must bring to the attention to the Company the presence of such information;

- not amend, alter or deface documents submitted by business associates or customers; and
- not to be involved in any arrangement to forgeries in any form.

### **3. Records and Documents Retention**

Records and documents retention (and destruction) must be in compliance with all legal requirements and finance/accounting policies. For tax and auditing purposes, it is important to keep records as per statutory requirements.

### **4. Money Laundering**

Money laundering is the process of concealing, converting and transferring proceeds from unlawful activities to a legitimate source of income and asset. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 in Malaysia.

Employees shall be aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of development in the laws relating to this area in order to actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Employees are expected to be mindful of the risk of the Company's business being used for money laundering activities and to raise any suspicious transactions to their immediate superior and the Board to undertake further investigation.

No disclosure should be made to others that would indicate suspicions of money laundering. Any employee reporting should not discuss the matter with any other person.

### **5. Disclosure of Overpayment**

It is the responsibility of the Employees to notify and refund the Company any overpayments of salary, allowances, expenses, reimbursements, compensation and/or benefits, amongst others, in excess of or not within their entitlements.

## **11. OCCUPATIONAL SAFETY & HEALTH**

The Company aims to provide a healthy, safe and secure working environment where no one is subject to unnecessary risk. The Company will take the following measures to enhance the safety and health and to reduce injuries and diseases:

1. Safety & Health Management System with preventive measures and early warning mechanisms.
2. Emergency preparedness with a variety of contingency measures and procedures in the event of disaster incidents and abnormal events.
3. Routine machine maintenance and scheduled machine preventive maintenance to avoid any harm to employees.
4. Improve workplace with health promotion programs and activities
5. Provide employees with a clean sanitation and clean water.

It is the responsibility of all employees to comply with all instructions or measures on occupational safety and health instituted by the Company. Employees must make sure that they:

1. Are familiar and comply with the relevant laws and standards, regulations, policies and procedures in respect of occupational safety and health.
2. Stop any work that becomes unsafe.
3. Know what to do if an emergency occurs at the workplace.
4. Ensure that those who work with them (co-workers or external parties) act consistently with the Company's policy on occupational safety and health.
5. Promptly report to the Management of any accident, injury, illness, unsafe/unhealthy/unsecure condition, incident, spill or release of material to the environment (so that steps can be taken to correct, prevent or control those conditions immediately).
6. Seek advice and help if they are unclear about their obligations or they have any concern about potential or actual breach of occupational safety and health and security laws or requirement.

## **12. GENERAL CONDUCT**

All employees shall conduct themselves responsibly, ethically, honestly and with integrity and respect for one another. The Company does not condone any act of misconduct that is deemed to be detrimental to the interest of the Company.

The following examples of acts of misconduct are not exhaustive and may be revised from time to time.

### **1. Act of Dishonesty and Fraud**

- Provision of false or misleading information or withholding of information from the Group when applying for employment and/or to secure employment with the Company.
- Provision of false or misleading information or withholding information from the Company for own personal gain/benefit and/or to the detrimental of the Company.
- Falsification of information, documents and/or records.
- Forging or falsification of medical certificates.
- Visiting a medical practitioner under false pretext for the purpose of getting medical leave.
- Theft, pilferage, fraud or dishonesty including any attempt of such involving the Company's business, funds and/or properties.
- Misappropriation and unauthorized use of the Company's funds and properties.
- Stealing of other employee's belongings and/or properties within the Company's premises.

### **2. Acts of Disrespect and Insubordination**

- Showing disrespect to an Employee of the Company, including a colleague, subordinate and/or superior.
- Insubordination, disobedience and/or refusal or failure to follow any lawful or reasonable order/directive of a superior of the Company.
- Striking at work or inciting others to strike in contravention of any law or rule enforced.
- Obstructing other employees from work and/or performing at work.
- Participation in illegal and/or unauthorized gatherings within the Company's premises.



- Removing or altering any matter on bulletin or notice boards without the permission of the Company.
- Removing from the Company premises, any of the Company's properties without prior approval.
- Tampering, defacing or damaging the Company's properties.
- Entering into prohibited area without prior approval from the Compan.
- Unreasonable refusal to carry out overtime work as required by the Company.
- Deliberate bypassing of the Company's usual channel of communication.
- Challenging the Company to dismissal.

### **3. Acts of Violence, Inappropriate Behaviours and Criminal Offence**

- Rioting or participation in disorderly behaviour within the Company's premises or within its vicinity at any time.
- Fighting within the Company's premises or within its vicinity at any time.
- Harassing another employee, including staking another employee.
- Serious pecuniary indebtedness such as incurring excessive debt with the Company, other employees and/or outsiders.
- Using insulting, Demeaning and/or vulgar works or gestures against another employee or outsiders, within the Company's premises or its vicinity at any time.
- Defaming, degrading, discrediting or dishonouring the Company and/or any of its employees.
- Spreading of malicious rumours about the Company and/or any of its employees.
- Any form of violence, abuse, assault (including threatening to assault or injure) against another employee and/or outsiders.

- Possession of unauthorized firearms or other dangerous weapons within the Company's premises.
- Committing any indecent and/or immoral act on the Company's premises.
- Criminal conduct or the employee's failure to report to the Company is criminal conduct that would adversely affect the employee's work performance or cause major discredit or embarrassment to the Company.
- Conviction and imprisonment for any criminal offence.
- Money laundering.
- Pimping whether acting as an agent for prostitution or being engaged in any form of vice.
- Involved in or aid any activity where the relevant authorities require the employee to be placed under any legal order or restricted residence or banishment.
- Any other acts that could cause fear, stress and distress to other employees.

#### **4. Alcohol, Drug and Gambling**

Prohibited substances may not be brought, kept, consumed, sold, purchased or dealt with in any way on the Company's premises.

1. Employees shall not report for work or carry out their duties in the course of their employment under the influence of alcohol or drugs of all or any of the above substances.
2. If an employee is taking medication which renders him unable to carry out his duties in a manner that will jeopardize the safety of himself and/or the other employees, he must inform his supervisor or the HR Manager accordingly.
3. If an employee knows or suspects that an employee is using, taking, consuming or dealing with any prohibited substances, he must inform his immediate supervisor or the HR Manager immediately. The Company also encourages employees to bring their personal drinking or drug problem to the attention of their supervisor (who shall inform the HR Manager accordingly without delay) or the HR Manager directly.

4. The Company may from time to time at its sole discretion require employees to be randomly tested for the use of illegal drugs and substances. Positive test results or refusal by the employee to undergo such a test may warrant appropriate disciplinary action to be taken by the Company as it deems fit.
5. Gambling of any form, including making or taking bets, card playing, whether for money or otherwise, is not allowed within the Company's premises at any time. Online gambling using the Company's computer and/or on the Company's premises is prohibited at any time.

The HR Department may, if it considers appropriate in the circumstances, submit a report of such misconduct to the Management together with its recommendation of the appropriate disciplinary action to be taken against the said employee.

### **5. Insubordination and Inefficiency**

An employee shall not commit any act of wilful refusal, insubordination or disobedience of an lawful and reasonable instruction of his supervisor/manager including refusal to perform assigned work, being inefficient and deliberately slowing down causing the quality of work and/or the quantity of work to be adversely affected.

### **6. Lateness, Absenteeism and Attendance**

All employees are required to observe the stipulated working hours of the Company. The following are unacceptable practices.

- Habitually late for work.
- Absence without leave/obtaining prior approval from the Company and/or without valid reason.
- Absence from the workplace during working hours and/or leaving the workplace before the end of working hours for unofficial reasons, without obtaining prior approval from the Computer.
- Exceeding the time limit grant for lunch break or any other breaks granted by the Company.
- Malingering and loitering during working hours.

- Failure or refusal to record attendance time (time in, time out and any movements in between, where applicable).
- Unauthorized use or abuse of ID/access cards, time attendance cards (or any other form of attendance records used by the Company), including punching another employee's time card or recording the attendance of another employee.

### **13. LABOUR**

The Company is committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student contract, direct employees and any other type of worker.

#### **1. Child and Young Workers**

Child labour is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 16, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is applicable. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health and safety, including night shifts and overtime.

#### **2. Working hours, Benefits and Wages**

The Company shall adhere to the strictest applicable law and/or industry standards relating to wages, working hours, overtime and benefits. Employees shall not be required to work more than 48 hours a week. Overtime worked shall be adhered to the maximum allowed under applicable laws and regulations.

#### **3. Paid Leave**

The Company shall grant all employees the right to sick leave and annual leave, as well as parental leave for relevant employees with a new born, as provided by applicable legislation. Employees who take parental leave shall not face dismissal or threat of dismissal and shall be able to return to their former employment at the same rate of pay and with the same benefits.

#### **4. Employee Contracts**

The Company shall provide all employees with a written, understandable and legally binding labour contract.

### 14. GIFTS AND ENTERTAINMENT

#### **Gifts**

As a general rule, employees should not accept presents or gifts. However, under certain circumstances, token gifts (not cash) in line with local custom and practice, are acceptable.

In the infrequent circumstances, where gifts are accepted (because, for example, refusal may be taken as an offence by the giver), the following guidelines apply:

1. All gifts received by the employee from external parties must be declared to the Managing Director. A file note will be kept on the action taken, i.e. whether the gifts are retained or donated to charity.
2. As a general rule, festive-related gifts and promotional gifts are acceptable provided that the cost is reasonable. However, it is advised that prior to the distribution of the gifts, the following recommendation should be fulfilled:
  - Equality in terms of value of all festive gifts given to external parties.
  - The recipient of the gift should not be to a selected group.
  - No preferential treatments to any parties receiving the gifts.
  - Not an inducement expecting any future favours that can be deemed as a form of corruption.

#### **Entertainment**

Tashin employee is also encouraged to ensure that entertaining by or of third parties is reasonable in its extent and appropriate to the particular business circumstances. The Managing Director will determine appropriate standards.

### 15. ANTI BRIBERY AND CORRUPTION POLICY

Any form of bribery and corruption is prohibited. Employees and any third party acting on Tashin's behalf must not provide, offer or accept bribes, kickbacks, corrupt payments, facilitation payments, or inappropriate gifts, to Government official or any commercial person or entity, regardless of local practice or customs.

All employees and any third party acting on Tashin's behalf must comply with all applicable anti-bribery laws and regulations, including but not limited to, the Malaysian Anti Corruption Commission Act (MACC Act), U.S. Foreign Corrupt Practice Act (FCPA) and the U.K. Bribery Act (UKBA).

The MACC Act covers the following conduct:

- the giving and accepting gratification;

- the giving or accepting gratification by an agent;
- corruptly procuring the withdrawal of a tender;
- bribery of an officer of a public body;
- bribery of foreign public body;
- using an office or position for gratification; and
- dealing with, using, holding, receiving or concealing gratification or advantage in relation of any offence under the MACC Act.

The expression “gratification” under the MACC Act includes :

- money, donation, gift, loan, property, financial benefit or other similar advantage;
- any office, dignity, employment, contract of service;
- any payment, release or discharge of any loan, obligation or other liability;
- any discount, commission, rebate, bonus or percentage;
- any forbearance to demand any money or money’s worth of valuable thing;
- any favour of any description, including protection from any penalty or proceedings of a disciplinary or criminal nature or forbearance from the exercise of any right, power or duty; and
- any offer or promise of any gratification within the meaning of any of the preceding items.

See also Tashin’s Anti-Bribery and Corruption Policy.

## **16. WHISTLEBLOWING**

The Whistleblowing Policy primarily addresses concerns where the interests of the Company are at risk. The main objectives of this policy are:

1. To provide avenues for employees to disclose any wrongdoing;
2. To ensure employees that they will be protected from reprisals, discrimination or victimization for whistleblowing in good faith; and
3. To provide a formal mechanism for action on all reports made.

Please refer to the Whistleblowing Policy for further details.

## **17. SEXUAL HARASSMENT**

It is the policy of the Company to promote a safe and healthy working environment that fosters mutual respect where individual employees irrespective of status or position are treated with dignity and free from sexual harassment.

Employees are strictly prohibited from engaging in any form of harassment, humiliation and intimidation of sexual nature.

### **1. Definition of Sexual Harassment**

For the purpose of this Code, sexual harassment is defined as:

- That might, on reasonable grounds, be perceived by the recipient as placing a condition of a sexual nature on his employment;
- That might, on reasonable grounds, be perceived by the recipient as an offence or humiliation, or a threat to his wellbeing, but has no direct link to his employment

Sexual harassment can occur between individual of different sexes or of the same sex. Based on the above definition, sexual harassment may be divided into two categories, namely sexual coercion and sexual annoyance.

- Sexual coercion is sexual harassment that results in some direct consequence to the victim's employment. An example of coercion sexual harassment of this kind is where a superior, who has power over salary and promotion, attempts to coerce a subordinate to grant sexual favours. If the subordinate accedes to the superior's sexual solicitation, job benefits will follow. Conversely, if the subordinate refuses, job benefits are denied.
- Sexual annoyance, the second type of sexual harassment is sexually-related conduct that is offensive, hostile or intimidating to the recipient, but nonetheless has no direct link to any job benefits. However, the annoying conduct creates a bothersome working environment which the recipient has to tolerate in order to continue working. Sexual harassment by an employee against a co-employee falls into this category. Similarly, harassment by a Company's client against an employee falls into this category.

Sexual harassment in the workplace includes any employment-related sexual harassment occurring outside the workplace as a result of employment or employment-related responsibilities. Sexual harassment may take place include, but are not limited to the following:

- at work-related social functions;
- in the course of work assignment outside the workplace;
- at work-related conferences or training sessions;
- during work-related travel;
- over the phone; and
- through electronic media

### **2. Form of Sexual Harassment**

Sexual harassment encompasses various conducts of a sexual nature which can manifest themselves in five possible forms, namely:

1. Verbal harassment – e.g. offensive or suggestive remarks, comments, jokes, kidding, teasing, sounds, inquiries or discussions about sexual activities or other verbal abuse.
2. Non-verbal / gesture harassment – e.g. leering or ogling with suggestive overtones, licking lips, holding or eating food provocatively, hand signal or sign language denoting sexual activity, persistent flirting.
3. Visual harassment – e.g. showing pornographic materials, writing sexually suggestive letters or other written materials, sexual exposure.
4. Psychological harassment - e.g. repeated unwanted social invitations, proposals for dates or physical intimacy.
5. Physical harassment – e.g. inappropriate touching, patting, pinching, stroking, grabbing, hugging, kissing, fondling, brushing up against the body, or coerced sexual intercourse sexual assault.

### **3. Disciplinary Action**

All employees including supervisors and managers will be subject to disciplinary action up to and including dismissal for engaging in sexual harassment. Employees who make false and malicious complaints of sexual harassment as opposed to complaints that are made in good faith will also be subject to disciplinary action.

An independent and thorough investigation in a manner that is as confidential as possible under the circumstances will be carried out on all complaints received alleging sexual harassment.

### **4. Complaints Procedure**

Due to the sensitive and personal nature of sexual harassment complaints, employees who believe them to be aggrieved under this policy should, within seven (7) days from the date of the purported incident direct his/her grievance to the HRD.



It is necessary that such complaints be made direct to the HRD, so as to ensure maximum confidentiality and to minimize embarrassment to the complainant especially at the time of reporting and in the course of investigation into the complaint.

The complainant and the alleged harasser will both be interviewed as will any individual who may be able to provide relevant information. An accurate record of the objectionable behaviour or misconduct is needed to resolve a formal complaint of sexual harassment. Verbal reports of sexual harassment must be reduced to writing by either the complainant or the individual who received the complaints and must be signed by the complainant. Employees, who believe that they have been or are currently harassed, should maintain a record of the objectionable behaviour in order to substantiate their allegations. If the investigation reveals evidence to support the complaint of sexual harassment, a Domestic Inquiry will be conducted against the alleged harasser.

Regardless of the outcome of a sexual harassment complaint made in good faith, the employee lodging the complaint, as well as anyone providing information, will be protected from any form of retaliation by either co-worker or superiors. This include demotion, unwanted transfer, denial of opportunities within the Company, as well as harassment of the employee as a result of his/her having made a complaint or having provided evidence regarding the complaint.

## **18. DISCIPLINARY ACTION**

Any employee, who commits misconduct or a breach of rules established by the Company, shall be subject to disciplinary action.

### **1. Misconduct**

1. Misconduct relating to duty of such carelessness, fraud, misappropriation, insubordination, etc.
2. Misconduct relating to discipline such as fighting, assault, quarrel, gambling, damage of Company's property, drug abuse, etc.
3. Misconduct relating to morality such as committing an indecent act, sexual advancement, pornography, keeping or distributing indecent or pornographic literature at the workplace, etc.

Appendix 1 provides a list of minor and major misconducts.

### **2. Inquiries**

A panel appointed at the discretion of the Company shall conduct all inquiries. The inquiry panel shall not include a member(s) whose presence may affect the impartiality of the panel in its conduct of the proceedings and its recommendations.

The proceeding of an inquiry shall be duly recorded by the panel for submission to the HR Manager or to the appropriate higher authority for decision.

The Company may suspend an employee on half pay for a period of not exceeding two (2) weeks pending an inquiry.

### **3. Action by the Company**

All disciplinary actions taken by the Company shall comply with the Company's established procedures and current legislation. Where there is any conflict between the two, current legislation shall prevail.

Head of Department may issue written warnings on the advice of the HRD. All written warnings shall be recorded in the employee personnel file. In the event where three (3) written warning letters for a similar offence have been issued within a period of twelve (12) months, the employee shall be subject to an inquiry to determine further disciplinary action.

Depending on the gravity of the offence committed and after due inquiry, the employee may be subject to any of the following punishment:

1. Dismissal without notice
2. Downgrading
3. Suspension without pay up to a maximum of two (2) weeks
4. Stoppage/withhold increment
5. Withholding bonus
6. Withholding promotion
7. Written warning

### **4. Summary Dismissal**

The Company reserves the right to dismiss an employee for misconduct after due inquiry including but not limited to dishonesty, insubordination, gross neglect of duty, bankruptcy and criminal conviction, within reasonable time after the misconduct in question without notice, salary or other forms of compensation.

This right is in addition to and does not prejudice its other rights under the law.

### **5. Grievance Procedure**

1. Employee should, whenever possible try to resolve dispute and minor problems amicably and informally between themselves or together with their immediate supervisors.
2. If such informal means do not bring a resolution, an employee may bring to the HR Manager's attention any grievance or complaint within fourteen (14) days from the date of occurrence of the event causing or giving rise to such grievance or complaint. The filing of a formal grievance in writing should be done only if such grievance or complaints cannot be resolved through these informal discussion.
3. A member of the HRD shall be assigned by the HR Manager to attend such grievance or complaints and to discuss and offer suggestions for resolution. Due consideration shall be given to all grievances and complaints and the HRD shall make all efforts to resolve them promptly and fairly.
4. The HR Manager may at its discretion and depending on the seriousness of the grievance and complaints, bring the matter to the attention of the Managing Director for his consideration.

### **6. Termination of Service**

Notice of termination of service shall be made in writing and in accordance with the employee terms and condition of service. In lieu of such notice, the employee of the Company shall pay a sum equivalent to the salary for the notice period required. An employee shall surrender all Company's documents, files, vehicles, keys and other Company's property in his possession upon his termination of service with the Company. The employee shall reimburse the Company the value of the replacement cost for any item(s) or the Company's property that is lost or damaged/destroyed while under his custody. The employee shall settle all outstanding liabilities and obligations with the Company before any monies due to him are to be released.

## **19. COMPLIANCE REMINDERS**

The provision of this Code apply to all employees of the Company and its affiliated companies regardless of whether the employee is classified as a full-time, part-time or temporary.

Violation of the Code is extremely serious misconduct for which the Company reserves the right to impose discipline, up to an including termination.

We must all work to ensure prompt and consistent action against violations of this Code.

However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

1. Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as practicable, and as soon as reasonably possible.
2. Ask yourself : What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
3. Clarify your responsibility and role. In most situations, there is a shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
4. Discuss the problem with your immediate supervisor or manager. This is the basic guidance for all situations. In many cases, your immediate supervisor or manager will be more knowledgeable about the question and will appreciate being brought into the decision making process.
5. Seek help from Company resources. In the rare case, where it may not be appropriate to discuss an issue with your immediate supervisor or where you do not feel comfortable approaching your immediate supervisor with your question, discuss with the Human Resources Department. If you prefer to write, address your concerns to the Human Resources Department.
6. You may report ethical violation in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violation.

## **20. WAIVERS AND AMENDMENTS**

Any waiver of any provision of this Code of Conduct and Ethics must be approved in writing and promptly disclosed along with the reason for the waiver. The Managing Director must approve any waiver of any provision of this Code of Conduct and Ethics with respect to employees, agent or contractor in writing. Amendment to this Code must be approved by the Board of Directors.

The Board of Directors shall periodically review the Code and communicate the new changes to all levels of employees.

### APPENDIX 1

#### Common Acts of Misconduct

1. Theft/Pilferage/Misappropriation or attempt of the same of the Company's money or property or other employee's money or property within the Company's premises.
2. Fraud, dishonesty, falsification or attempt of the same in connection with the Company's business, money or property.
3. Cheating the Company.
4. Fighting with or assaulting, abusing or being violent towards another employee or authorized visitor on the Company's premises or threatening the same.
5. Prosecuted or charged with criminal offence.
6. Soliciting or accepting bribes or any illegal gratification.
7. Participation in unauthorized financial transaction within the Company's premises.
8. Participation in illegal strike.
9. Instigating industrial action among employees against the Company.
10. Picketing in the Company's premises except where permissible under the law, agreement or award.
11. Inciting other employees to participate in illegal strike in contravention of the provisions of any law or rule.
12. Wilful insubordination or disobedience whether alone or in combination with others to any lawful and reasonable order of a superior.
13. Conflict of interest.
14. Breach of fiduciary relationship.
15. Spreading malicious rumours about the Company.
16. Gambling whether involving money or otherwise, in the Company's premises.
17. Gross negligence and neglect of duty.

18. Interfering with the record of his attendance or of any other employee or falsification, defacement or destruction of any record of the Company.
19. Sleeping while on duty.
20. Possession of illegal weapon or lethal weapon on the Company's premises.
21. Riotous, disorderly or indecent behaviour on the Company's premises.
22. Smoking in prohibited / restricted areas.
23. Illegal substances or drug abuse.
24. Disclosing confidential information.
25. Driving or unauthorized use of the Company's vehicle without prior authorization.
26. All forms of harassment including but not confined to unwelcomed verbal or physical advances and sexually, racially or otherwise derogatory or discriminatory statements or remarks.
27. Habitual late coming or late attendance.
28. Habitual negligence.
29. Commission of any subversive act to the discipline of the Company or general behaviour.
30. Commission of any private act that brings disrepute, embarrassment or affects the legitimate interest of the Company or ruins the image of the Company.
31. Company habitual breach of any order or any law applicable to the establishment of rules made there under.
32. Withholding overtime at a critical time to bring pressure on the management.
33. Making material misstatement in job application, loan application or declaration.
34. Unauthorized use of time cards.
35. Possession, sale or distribution of unsuitable, indecent or pornographic materials.
36. Committing an immoral act within the Company's premises.

37. Failure to report serious infectious or contagious illness or disease to the Safety & Health Officer.
38. Forging or defacing medical certificates or other official documents to defraud the Company.
39. Conduct which is likely to cause injury or endanger the life or safety of another person within Company's premises.
40. Trespassing or forcible occupation of the Company's premises or prohibited areas.
41. Bringing company to illegally challenge dismissal.
42. Bypassing the proper channel of communication.
43. Refusal to accept any communication served either in accordance with the Code of Conduct and Ethics in instigating the same.
44. Misrepresentation of the Company to others.
45. Participation in illegal gathering or activities in the Company's premises or abetting inciting or instigating the same.
46. Serious pecuniary indebtedness affecting the public image of the Company.
47. Making public statements against the interest of the Company.
48. Publishing or writing books against the interest of the Company.
49. Leaving work place during working hours without permission of the immediate supervisor or overstaying sanctioned leave without sufficient grounds or proper or satisfactory explanation without informing or attempting to inform his employer of the excuse or reason for such absence.
50. Absenteeism.
51. Quarrelling or fighting or committing a nuisance at the work place.
52. Misdemeanours.
53. Carelessness or wilfully causing damage or loss to the Company's property or goods.

54. Deliberate interference with or damage and contamination of factory processes, materials or equipment.
55. Posting, altering, removing, defacing or destroying the Company's notices or any material on bulletin boards or the Company's property without the permission of the management.
56. Failure to wear a uniform at work place as per the Company's policy.
57. Failure to furnish information which is within the scope of his employment and which relates to the mutual interest of the Company and the employee
58. Malingering and feigning illness.
59. Loitering during working hours.
60. Failure to follow safety procedures or tampering with safety devices to the detriment of the Company or its employees.
61. Infringement of safety regulations.
62. Unnecessary wastage of documents and materials.
63. Abuse or unauthorized use of the Company's property, utilities, equipment or facilities.
64. Habitual or substantial negligence in the care of tools, equipment and apparatus of the Company.
65. Wilful failure to report at once to his superior any defect which an employee may notice in any equipment connected with his work.
66. Wilful in not reporting any defect or occurrence which an employee may notice or which might endanger himself or any other person or which might result in damage to the Company's or any person within the Company.
67. Failure to keep the work place clean and tidy.
68. Obstructing, inciting or wilfully slowing down other employees from work.
69. Blackness in performance.
70. Disclosing commercial or manufacturing secrets, calculations or designs.



71. Acting in violation with competition laws, including agreeing with competitors on prices or any other terms and conditions to customers, allocation of territories or customers, rigging bids.
72. Ceasing work without permission before the proper finishing time.
73. Spitting within the Company's premises.
74. Playing computer games at the Company's premises during or installing computer game(s) into the Company's computer.
75. Interfering with another person's work during working or non-working hours.
76. Writing frivolous or offensive notes/memos/letters to superior.
77. Contaminate drinking fountain water in the premises.
78. Selling or advertising non-company products in circumstances prejudicial to discipline.
79. Bringing friends or visitors without permission to tour the factory.
80. Bringing friends or visitors to the Company's hostel and allowing friends or visitors to stay over in the hostel.
81. Refusal to submit to search when required to do so by the Company authorized representative.
82. Installing pirated computer software or unlicensed computer software into the Company's computer.
83. Engaging in private work or trade within the Company or outside the Company which is directly or indirectly in conjunction with the business of the Company.
84. Any other offences that are deemed major.

The above examples of misconduct are not exhaustive as the Company reserves the right to determine what constitute acts of misconduct that warrant disciplinary action and will update the list from time to time.