



**QES GROUP BERHAD (1119086-U)**

## **CODE OF ETHICS AND CONDUCT**

### **1. INTRODUCTION**

QES Group Berhad ("the Company") and its subsidiaries ("the Group") are committed to the highest standards of ethical business conduct. In keeping with our commitment and in line with good corporate practices, the Company has adopted this Code of Ethics and Conduct ("the Code") which sets out the principles and standards of business ethics and conduct of the Group.

### **2. OBJECTIVE**

The objective of the Code is to assist the Directors and employees of the Group in defining ethical standards and conduct at work. The Code is intended for all Directors and employees of the Group and they shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

### **3. APPLICABILITY**

The Code is applicable to all Directors and employees of the Group, including full time, probationary, contract and temporary staff.

Each Director and employee has a duty to read and understand the Code. Violation of any of the Code's provisions can result in appropriate action, including termination of employment and/or directorship.

### **4. BUSINESS CONDUCT**

#### **4.1 Dealings with Customers & Suppliers**

4.1.1 All Directors and employees having business dealings on behalf of the Group with the customers and suppliers of the Group shall at all times act professionally and in the best interests of the Group and shall not allow any personal interest to conflict with the interest of the Group.

4.1.2 No Directors or employee or members of his/her immediate family (including his/her spouse, parents, children, brothers and sisters) shall have any business dealings with any of the Group's customers and suppliers that may be construed as conflict of interest with the Group, unless the same has been disclosed in writing to the Group and approved in writing by the Group.

4.1.3 It is the policy of the Group to comply with rules and regulations of each country in which we do business. It is the responsibility of management and employees to be familiar with the rules and regulations which relate to their business responsibilities and to comply with them.

## **4.2 Financial Interests**

- 4.2.1 No Director or employee shall have any financial interest in any of the Group's customers or suppliers. In the event that any Director or employee shall have any such financial interest, he/she shall immediately disclose the same in writing to the Group and, unless the Group approves of the same in writing, immediately relinquish such interest.

## **4.3 Conflicts of Interest**

- 4.3.1 The Directors and employees shall not put themselves in situations where conflict of interest between them as individuals and the interest of the Group can arise.
- 4.3.2 The Directors and employees must not use their positions or knowledge gained directly or indirectly in the course of their duties to benefit themselves (directly or indirectly) arising from any business opportunity that the Group is pursuing.
- 4.3.3 The Directors and employees shall at all times act in good faith, honestly and responsibly in the exercise of their powers in discharging their duties for and on behalf of the Group.
- 4.3.4 If employees are in a conflict of interest situation, or think may be, discuss it with employee's supervisor in confidence. Employees can also discuss the situation with the Group's HR Department.

## **4.4 Confidential Information**

- 4.4.1 Directors and employees shall at all times keep confidential all information and document (including but not limited to trade secrets, customer lists, supplier lists, price lists, sales and service data base, financial reports, HR data base and all other classified document) received by them or come into their possession in the course of their work with the Group and shall not disclose or divulge the same to any third party whether during the employment or after leaving the Group. Unless such disclosure is with prior written approval of the Group.
- 4.4.2 The use of information and documents (whether relating to trade secrets, processes, methods, list of customers, list of suppliers, price list, advertising or promotional materials, sales and other statistics or otherwise) received by or come into the possession of a Director or employee in the course of his/her work with the Group for his/her personal gain or gain to his/her family or friends is strictly prohibited.

## **4.5 Gifts, Loans & Entertainment**

- 4.5.1 No Director or employee is permitted to receive or enjoy any gift, loan or any form of entertainment of more than nominal value (employees shall refer to HR Department for nominal value) from any third parties having business dealings with the Group or involved in business which compete with the business of the Group which is likely to expose the employee to the temptation to favour such parties in his/her dealings on behalf of the Group or which may have the effect of preventing him/her from discharging his/her duties properly for the Group.

4.5.2 Paragraph 4.5.1 hereof shall have no application to any lending institutions, such as licensed financial institutions and building societies, from whom the Director or employee obtains a loan or credit facility.

#### **4.6 Outside Directorship**

4.6.1 No Director or employee shall be permitted to become a director or office bearer of any corporation outside the Group without the prior written approval of the Group. In determining whether the Group may grant such approval; the following factors will be taken into consideration by the Company: -

- i) whether the directorship or office is in an executive capacity;
- ii) whether such directorship or office would adversely affect or harm the business reputation or dealings of any member of the Group;
- iii) whether such directorship or office would provide the employee with valuable experience that could contribute to the business interests of the Group;
- iv) whether such directorship or office would result in such employee helping or assisting a corporation in competition with the business of the Group;
- v) whether such directorship or office would result in the employee having a duty (whether formal, customary or otherwise) to disclose any information or documents received by or come into his/her possession in the course of his/her work with the Group to any third party;
- vi) whether there are any exceptional circumstances that ought to be considered by the Group.

#### **4.7 Compliance with Laws and Regulations**

4.7.1 The Group is subject to all applicable laws, rules and regulations in jurisdictions within which the Group operates.

4.7.2 All Directors and employees must ensure that they operate within the relevant laws and regulations that are applicable to their position and work. In the event of any suspected violations, the employee shall report promptly to their immediate superior whereas the Directors shall communicate such matters directly to the Chairman of the Board. In addition to being a violation of law, it will be grounds for instant dismissal.

#### **4.8 Health, Safety and Environment**

4.8.1 The Group is committed to ensure a safe and healthy working place for its Directors and employees. The Group will ensure it complies and maintains proper occupational safety and health practices that are in line with the nature of its business and activities. The Directors and employees shall ensure effective and responsible use of natural resources. They shall also minimize any adverse impact that the Group's activities have on the environment.

#### **4.9 Protection and Use of the Company's Assets**

- 4.9.1 The Directors and employees shall use the Group's assets in the best interest of the Group. They should exercise reasonable care to protect the assets and ensure that they are used efficiently.
- 4.9.2 Such assets include those which are tangible, such as plant and equipment, machinery, hardware, materials, various resources and also those which are intangible, such as proprietary information, goodwill, strategic relationships with stakeholders like customers and suppliers.
- 4.9.3 The Directors and employees shall not misappropriate such assets owned by the Group. Any misappropriation shall immediately be reported and investigated, followed by disciplinary and/or legal action where necessary.

#### **4.10 Inside Information and Securities Trading**

- 4.10.1 All Directors and employees who have access to confidential information are not permitted to use or share that information for securities trading purposes (insider trading) or for any other purpose except for the conduct of the Group's business. All non-public information about the Group should be considered confidential information. It is always illegal to trade in the securities of the Group while in possession of material non-public information and it is also illegal to communicate or "tip" such information to others.

#### **4.11 Business Records and Control**

- 4.11.1 Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. The Group will ensure and maintain accurate and complete accounting records in accordance with the applicable approved accounting standards and accounting policies with adequate internal controls established. No unauthorized, false, improper or misleading records or entries shall be made in the books and records of the Group under any circumstances.

#### **4.12 Sexual Harassment**

- 4.12.1 Sexual harassment by any Director or employee is unacceptable. It is the Group's policy to provide all employees with a working environment free from any form of sexual harassment. The Group will also not tolerate or condone sexual or other harassment towards other people including contractors, suppliers' representatives, guests, customers or visitors.
- 4.12.2 Any questions concerning issues of such should be directed either to the employees' immediate supervisor, the Head of the Human Resource Department or Executive Directors. All such reports or complaints shall be treated with strictest confidence.

**4.13 Fair and Courteous Behaviour**

4.13.1 Directors and employees shall behave honestly and ethically at all times. All employees are to treat their fellow employees fairly without regard to race, creed, religion, gender, nationality, age or disability, and shall not create any form of discrimination or prejudice in the workplace.

**4.14 Misconduct**

4.14.1 No Director or employee is to be involved in or abet any activity that is deemed by the Group to be an act of misconduct (includes use and abuse of drugs).

**5. REPORTING OF VIOLATIONS OF THE CODE**

Any employee who knows of, or suspects, a violation of the Code, is encouraged to whistleblow or report the concerns through the Group's Whistleblowing Policy. The provision, protection and procedure of the Whistleblowing Policy for reporting of the violations of the Code are available on the QES's website. No individual will be discriminated against or suffer from any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

**6. REVIEW OF THE CODE**

The Board will monitor compliance with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate.

**APPROVED AND SIGNED BY THE BOARD OF DIRECTORS OF QES GROUP BERHAD ON  
20<sup>th</sup> MARCH 2018**