

# **ATA IMS BERHAD**

**(formerly known as Denko Industrial Corporation Berhad)**

## **Code of Ethics and Conduct**

### **Introduction**

The Code of Ethics and Conduct is intended to apply to all employees, customers and vendors of ATA IMS Berhad (formerly known as Denko Industrial Corporation Berhad) (“the Company”) and its subsidiaries worldwide (“collectively with the Company, “the Group”). It is to establish standards to ensure that working environments and conditions are safe and healthy, conflicts of interest are avoided, workers are treated with respect and dignity, confidentiality is observed, good personal behaviour is exhibited and business operation are conducted ethically.

The fundamental principle in adopting the Code of Ethics and Conduct is to ensure that all business activities are in full compliance with the laws, rules and regulations of the country in which it operates. If a law of the country conflicts with a rule or policy set out in the Code of Ethics and Conduct, affected personnel should comply with the law. Besides, the Code of Ethics and Conduct encourages affected personnel to go beyond legal compliance and adopt internationally recognized standards in order to advance business ethics and conduct.

The Group is opened to receive input from stakeholders in the continued development and implementation of the Code of Ethics and Conduct and to adopt the best practice where possible.

This Code of Ethics and Conduct is a general guide to acceptable and appropriate behaviour at the company and it is not intended to be exhaustive. Therefore, there may be other additional obligations that the directors and employees are expected to comply when performing their duties.

All references to “we”, “us”, “our” and “ourselves” are to the Group.

### **Our Value**

We uphold the highest standards of integrity, transparency and accountability in the conduct of our business and operations to ensure business sustainability. We are committed to conduct our affairs in an ethical, responsible and transparent manner.

- To Shareholders, we are committed to creating and enhancing long-term shareholder value;
- To Employees, we will strive to recruit and retain the most competent people, offer them competitive terms and conditions of service, and maximize their personal progression through training and development. We are committed to provide all employees a safe, secure, healthy and conducive workplace culture and environment, where the values of mutual and reciprocal respect, trust and confidence are upheld and activities promoted;

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**Our Value (continued)**

- To Customers, we strive to provide products and services that meet their expectation through continuous engagement;
- To Business Partners, we will uphold highest professional and ethical relationship for mutual benefit with our suppliers, contractors, service providers, financial institutions and the entities doing business with us;
- To Government, we undertake to comply with all applicable laws and regulations laid down and to participate in projects promulgated by government for industry and social development; and
- We pledge that we will be a responsible corporate citizen to conduct our business in an economically, environmentally and socially sustainable manner wherever it operates and will take into consideration the needs and aspiration of local communities.

**I. Respect for The Law**

The Group, its Directors and all employees are bound by all applicable laws, rules and regulations in all jurisdictions it is operating in.

Compliance with all applicable laws and regulations must be observed and all Directors and employees must adhere to all internal company's policies, rules and regulations specific to the Group which may go beyond what is requested by law.

**II. Respecting Others**

**1) Unlawful Discrimination**

We do not tolerate unlawful discrimination in the workplace or on the job. We must not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, or marital status in hiring and employment practices, such as, promotions, rewards, and access to training.

**2) Working hours**

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Workweeks and working hours are not to exceed the maximum set by statutory labor law.

**3) Wages and Benefits**

To offer pay and benefits that is fair and competitive within each local business and industrial markets we are participating. Compensation paid to workers shall comply with all applicable laws, including those relating to minimum wages, overtime hours and legally mandated benefits.

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**II. Respecting Others (continued)**

**4) Humane Treatment**

We do not tolerate harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor the threat of any such treatment acceptable. We uphold no-forced labour and no child labour policy in the conduct of our business.

**5) Communication**

We promote continuous two-way communication with our employee to ensure ideas, concern and problems being identified and resolved amicably as a team.

**6) Freedom of Association**

We respect the employees' rights to exercise lawful rights of free association, including joining or not to join any association and adopt an open attitude towards the activities of worker representative bodies and their organizations.

**7) Continuous Development**

We strive to identify and satisfy the needs of employees to continuously develop their knowledge, skills and competency for personal development and corporate excellence.

**III. Serve Our Customers**

**1) Integrity**

Our reputation that our customers can trust the products and services provided by us is our most valuable asset, and it is the responsibility of all of us, including our business partners, to make sure that we continually earn that trust. We strive to deliver our products and services with competitive value and quality in equilibrium. The Directors and employees shall exhibit good working attitude, behaviour, courtesy, honesty and professionalism at all times during the course of performing their duties and tasks. In performing their duties, due care and diligence must be exercised.

**2) Competency**

We seek to only serve our customers whom we are competent to serve, who value our products and services and who meet appropriate standards of legitimacy and integrity.

**3) Assets**

It is our commitment that all assets belonging to our customers, including intangible, intellectual properties and electronic assets, are handled in a manner both responsibly and appropriate to our business and only for legal and authorized purposes. Such assets should not be used for personal gain and enjoyment.

**IV. Avoiding Conflict of Interest**

A conflict of interest arises in any situation in which an individual is in a position to take advantage of his or her role for his or her personal benefit, including for the benefit of his or her family and friends. A conflict of interest can make it difficult for an individual to fulfill his or her duties impartially and correctly.

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**IV. Avoiding Conflict of Interest (continued)**

A conflict of interest can exist even if it results in no unethical or improper acts. Even the appearance of improper influence in decision-making may be an issue. A conflict of interest will undermine the values of good faith, fidelity, diligence and integrity in the performance of duties and obligations as expected.

All employees, customers and business partners must therefore try to avoid conflicts of interest in the conduct of business.

**1) Business Integrity**

The highest standards of integrity are to be upheld in all business interactions. Affected personnel shall have a zero-tolerance towards conflict of interest to prohibit any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). All business dealings should be transparently performed and accurately reflected on records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws and best practices.

**2) No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted. Gifts/benefit, other than of token value (any amount below RM50), should generally be refused.

**3) Disclosure of Information**

Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.

**4) Fair Business, Advertising and Competition**

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer's information must be available.

**5) Business Opportunities & Other Employment**

All employees shall not compete with us or take personal advantage of business opportunities that arose or discovered during the course of their employment unless we expressly waive our interest in pursuing such opportunity. In addition, all employees shall not, without our prior written consent, be directly or indirectly employed, engaged, concerned with or hold office or position, (whether as an employee, agent, independent contractor or otherwise) in any organization, enterprise, employer or business or trade where a conflict of interest or potential conflict of interest may arise between personal interest and our interest.

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**V. Insider Trading**

As a general policy, all our directors and employees 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. The directors and employees in possession of material information or price sensitive information that has not been publicly disclosed should not trade in or deal with the Company's securities or share with anybody.

In addition to this, all Directors and key management personnel, identified and designated as such are required to comply with Bursa Malaysia Securities Berhad's Listing Requirements on Dealings in Listed Securities under Chapter 14 of the Main Market Listing Requirements.

**VI. Protection and preservation of Company Assets and Financial Records.**

All directors and employees shall safeguard and make proper and efficient use of our assets and financial records.

All directors and employees shall use their best efforts and endeavour to protect our assets and financial records from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both tangible and intangible assets, including trademark, know-how, confidential or proprietary information and information systems.

**VII. Preserve Confidentiality and Privacy**

Inability to preserve confidentiality will eliminate our competitive advantage, promote unethical business practice and prove costly in other ways. Therefore, upholding highest standards in preserving confidentiality is one of our responsibilities and extends such requirement to ensure employees, customers and business partners receives such information only on "need to know" basis and to observe the confidentiality and privacy of such information. Compliance with relevant privacy law in jurisdictions we are operating is critical.

We respect the confidentiality and privacy of our employees, customers, business partners and regulatory bodies with whom we do business and liaise with. Unless authorised, we do not use confidential information for unauthorised purposes, for our sole benefit or to benefit a third party, to the detrimental effect of the owners. We disclose confidential information or personal data only when authorisation from the data subject had been obtained, and/or compelled to do so by legal and regulatory requirements.

**VIII. Safety and Health**

We undertake to ensure the working environment at our operating entities are safe, healthy and environmental friendly for our employees, customers and business partners. We will use its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices commensurate with the nature of our businesses and activities. Such a commitment in return requires that all Directors and Employees understand and abide by our policies and procedures.

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**IX. Sustainable Business Practices**

- We commit to act in an economically, environmentally and socially sustainable manner and within the laws, customs and traditions of the countries we operate and contribute in a responsible manner to the development of communities.
- We aspire to act in a manner that minimises the detrimental environmental impacts of our business operations.
- We continuously support charities, educational and community service activities.

Our sustainability management is guided by the formal Sustainability Framework established and approved by the Company's Board of Directors.

**X. Political Neutrality**

We will not make any political contribution to any candidate, political party organization, political committee or political organization in return for an implied or promised official act. We and our directors are to be politically neutral in the conduct of our business.

**XI. Anti-Money Laundering**

It is our fundamental principle that money laundering practice is strictly prohibited within the Group. As such, we are to conduct our business in compliance with the Anti Money Laundering & Anti-Terrorism Financing Act 2001 and to ensure adequate safeguards are in place to prevent as well as identify and report incidents of money laundering within the Group.

**XII. Consequences and Channel to Report**

Any failure to comply with the code of conduct may result in disciplinary action, including the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.

The employees shall report any practices or actions believed to be inappropriate under this code to the appropriate level of management or based on the staff grievance procedure for employees.

If it is appropriate and for other stakeholders, in view of the nature of the reported matter, reports of violations may be made directly to the Executive Chairman and Executive Director.

However, if for any reason the stakeholder is reluctant to do so or the stakeholder concerned is of the opinion that the matter is not satisfactorily resolved, such stakeholder shall report such genuine concerns, in confidence, by using whistleblowing procedure to the Audit Committee Chairman as stated in the Whistleblowing Policy which is available on the Company's website.

All genuine complaints shall be properly investigated, and no individual shall be retaliated or incriminated for making such reports in good faith.

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**XIII. Policy Review and Approval**

This Policy is reviewed by the Audit Committee and recommended to the Board of Directors for approval on 28 May 2018.

The Audit Committee to review and monitor this Code of Ethics and Conduct regularly to ensure it remains relevant and appropriate and to report of the same to the Board of Directors for approval.