

# Code of ethics and business conduct



**TECHNA-X BERHAD**

Registration No.: 200601012477 (732227-T)

## **Scope**

This Code of Ethics and Business Conduct shall be applicable and adhered to by members and officers Techna-X Group, including but not limited to the directors, management and employees of Techna-X and its subsidiary/associate companies.

## **Build Trust and Credibility**

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. It is easy to *say* what we must do, but the proof is in our *actions*. Ultimately, we will be judged on what we do.

When considering any action, it is wise to ask: Will this build trust and credibility for Techna-X? Will it help create a working environment in which Techna-X can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering “yes” to those questions and by working every day to build our trust and credibility.

## **Respect for the Individual**

We all deserve to work in an environment where we are treated with dignity and respect. Techna-X is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone’s talents go to waste.

Techna-X is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behaviour. Any employee who feels harassed or discriminated against should report the incident to his or her manager or to human resources.

## **Create a Culture of Open and Honest Communication**

At Techna-X everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.

Techna-X will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

For your information, Techna-X’s whistleblower policy is as follows:

Employees are encouraged, in the first instance, to address such issues with their managers or the HR manager, as most problems can be resolved swiftly. If for any reason that is not possible or if an employee is not comfortable raising the issue with his or her manager or HR, the MD does operate with an open-door policy.

### **Set Tone at the Top**

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modelled from the top and demonstrated by example. Again, ultimately, our actions are what matters.

To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At Techna-X, we want the ethics dialogue to become a natural part of daily work.

### **Uphold the Law**

Techna-X's commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must have an understanding of the company policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or Techna-X policy, we should seek the advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations.

### **Competition**

We are dedicated to ethical, fair and vigorous competition. We will sell Techna-X's products and services based on their merit, superior quality, functionality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for Techna-X or the sales of its products or services, nor will we engage or assist in unlawful boycotts of particular customers.

### **Proprietary Information**

It is important that we respect the property rights of others. We will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. We will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

## **Selective Disclosure**

We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material non-public information with respect to Techna-X, its securities, business operations, plans, financial condition, results of operations or any development plan. We should be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain material non-public information.

## **Health and Safety**

Techna-X is dedicated to maintaining a healthy environment. A safety manual has been designed to educate you on safety in the workplace.

## **Conflicts of Interest**

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of Techna-X may conflict with our own personal or family interests because of the course of action that is best for us personally may not also be the best course of action for Techna-X. We owe a duty to Techna-X to advance its legitimate interests when the opportunity to do so arises. We must never use Techna-X's property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with Techna-X.

Some ways in which conflicts of interest could arise are as follows:

1. Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with Techna-X.
2. Hiring or supervising family members or closely related persons.
3. Serving as a board member for an outside commercial company or organization.
4. Owning or having a substantial interest in a competitor, supplier or contractor.
5. Having a personal interest, financial interest or potential gain in any Techna-X's transaction.
6. Placing company business with a firm owned or controlled by a Techna-X employee or his or her family.
7. Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all Techna-X employees.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their managers or the HR department.

## **Accurate Public Disclosures**

We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

Employees should inform Executive Management and the HR department if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication.

## **Corporate Recordkeeping**

We create, retain and dispose of our company records as part of our normal course of business in compliance with all Techna-X policies and guidelines, as well as all regulatory and legal requirements.

All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with Techna-X's and other applicable accounting principles.

We must not improperly influence, manipulate or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of Techna-X books, records, processes or internal controls.

## **Promote Substance Over Form**

At times, we are all faced with decisions we would rather not have to make and issues we would prefer to avoid. Sometimes, we hope that if we avoid confronting a problem, it will simply go away.

At Techna-X, we must have the courage to tackle the tough decisions and make difficult choices, secure in the knowledge that Techna-X is committed to doing the right thing. At times this will mean doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we *should* do so.

Although Techna-X's guiding principles can not address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct.

## **Accountability**

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the HR department.

Techna-X takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.

### **Confidential and Proprietary Information**

Integral to Techna-X's business success is our protection of confidential company information, as well as nonpublic information entrusted to us by employees, customers and other business partners. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or non-public information about other companies, including current or potential supplier and vendors. We will not disclose confidential and non-public information without a valid business purpose and proper authorization.

### **Use of Company Resources**

Company resources, including time, material, equipment and information, are provided for company business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace.

Employees and those who represent Techna-X are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

Generally, we will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company-requested support to non-profit organizations. We will not solicit contributions nor distribute non-work related materials during work hours.

In order to protect the interests of the Techna-X network and our fellow employees, Techna-X reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or Techna-X's intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

### **Media Inquiries**

Techna-X is a high-profile company in our community, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the Investor Relations Executive. No one may issue a press release without first consulting with the Investor Relations Executive or Executive Director or Managing Director.

### **Management**

- Carry out their activities in a professional, ethical and responsible manner.

- Promote effective participation by shareholders at the General Meetings, especially by facilitating the exercise of information and voting rights.
- Comply and demand compliance with generally accepted accounting standards and principals, and establish internal and external risk management and control systems in accordance with the characteristics of the company.
- Keep the books and ledgers of the company in an accurate and honest manner, in order to permit that information be obtained and decisions be taken on an informed and responsible basis.
- Provide external and internal auditors of the company with all such information and explanations as may be required to carry out their work.
- Subordinate their own interests to those of the company when acting on behalf and in representation thereof and not use corporate assets in their own benefit, except with due transparency, prior authorisation from the relevant corporate body and in exchange for consideration deemed appropriate on the market.
- Immediately notify the administrative body as to any event or situation which would represent or could give rise to a conflict between the interests of the company and the individual interests of the director or manager, and abstain from intervening in the resolution.
- Facilitate the transparency of and control over their remuneration in such a way that it is guaranteed to be appropriate to their level of responsibility and performance and to the characteristics of the company.
- Maintain as confidential the background, data and documents to which they have access by virtue of their functions in the company, even when they no longer carry out such functions.
- Make payment and comply with debts incurred by the company without unjustified delay or breach, and collect on balance due with the diligence required in each case.

### **Suppliers and Clients**

- Maintain ethical and licit relationships with supplier of goods and services.
- Search for and endeavour to select only suppliers whose business practices respect human dignity, are not in breach of law and do not place the company's reputation in danger.
- Select suppliers on the basis of the appropriateness of their products or services, as well as of their prices, delivery conditions and quality, not accepting or offering gifts or commissions, in cash or in kind, which could alter the rules of free competition in the production and distribution of goods and services.

- Aspire to excellence in the goods and services of the company in such a way that clients and customers obtain the satisfaction expected therefrom.

## **Competitors**

- Not abuse a dominant or privileged market position.
- Compete in good faith with other companies cooperating to achieve a free market based on mutual respect between competitors and abstaining from engaging in unfair practices.
- In particular, not take clients from other competitors employing unethical methods.

## **Employees**

- Treat employees with dignity, respect and justice, taking into consideration their different culture sensitivities.
- Not discriminate against employees on the grounds of race, religion, age, nationality, sex or any other personal or social condition different from the conditions of merit and capacity.
- Not permit any form of violence, harassment or abuse at the workplace.
- Promote the professional development, training and promotion of employees.
- Link remuneration and the promotion of employees to their conditions or merit and capacity.
- Establish and communicate clear criteria and rules which maintain a balance between the rights of the company and those of employees in hiring processes and in the separation thereof, even in the case of a voluntary change in employee.
- Guarantee health and safety on the job, taking any such measures as are considered reasonable to maximise prevention of occupational risk.
- Look to reconcile work at the company with the personal and family life of employees.
- Look to achieve the occupational integration of persons with incapacities or handicaps, eliminating barriers of all kinds in the ambit of the company in order to achieve insertion.
- Facilitate the participation of employees in the social action programmes of the company.