



CODE OF CONDUCT

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3.1 COMPLIANCE

An employee is required to comply with the Code of Conduct and Discipline as may be determined by the Board from time to time, which consist of matters stated below, and such other additional disciplinary matters, prohibitions, duties and/or procedures. Such codes may be modified, added to, substituted for and/or otherwise amended from time to time as the Management deems fit.

3.2 CODE OF CONDUCT

- 3.2.1 An employee shall show their undivided commitment and loyalty to MDEC.
- 3.2.2 An employee shall not engage in activities which may tarnish the image of MDEC.
- 3.2.3 An employee shall comply with and observe all statutory laws, regulations and MDEC's rules, regulations and procedures at all times.
- 3.2.4 An employee is required on all occasions to discharge his responsibilities with a high standard of professionalism, dedication, honesty, integrity, goodwill and courtesy and display a high sense of pro-activeness, cooperation, innovation and accountability.

3.3 GENERAL CONDUCT

An employee shall not:

- 3.3.1 Allow his private interests to come into conflict with his duties at MDEC.
- 3.3.2 Use his position as an employee of MDEC to further his private interests
- 3.3.3 Bring disrepute and discredit to MDEC.
- 3.3.4 Disclose or divulge information relating to MDEC and its work, which is considered secret to unauthorized persons.

3.4 SPECIAL PROHIBITIONS, CONDITIONS AND REQUIREMENTS

An employee shall not:

- 3.4.1 Accept and/or offer any gifts, presents and/or any other form of favor in the course of their employment that is of significant value. Please refer to 3.23.
- 3.4.2 Engage in any outside employment without the consent of the Management.
- 3.4.3 Make any public statements, orally and/or in writing on the policies and/or decisions of MDEC, except with the permission of the Management.
- 3.4.4 Live beyond official emoluments or legitimate private means and refuse to give explanation to MDEC when required to do so.
- 3.4.5 Render themselves to any criminal activities.

3.5 ACCESS TO PREMISES

Access to the office premises is by Employee ID card only. Employee are to ensure that the access doors are securely closed behind you when you enter or leave the premises.

3.6 DISPLAY OF ACCESS CARD

Employee are required to display their Employee ID card at all times when they are on the office premises. A lanyard and clip have been provided for that purpose.

3.7 ATTENDANCE AND PUNCTUALITY

MDEC expects regular attendance and punctuality on the part of all employees.

Employees with regular office duties (those without client servicing or marketing functions) are expected to be at their workstations during stipulated working hours.

Employees whose duties include out-of-office meetings should inform their supervisor of their whereabouts at all times. They should also be contactable during office hours.

3.8 COMMUNICATION EXPECTATIONS

Communication channels in MDEC

All communication channels in MDEC including corporate emails are for official MDEC business purposes and not to be used as a personal tool. This includes the distribution of MDEC-related announcement, advertisement, cascading of decisions and sharing of information.

All MDEC employees are expected to read all email announcements from the Company's Intranet, the main communication source for MDEC-related news and information.

MDEC Client Charter

All MDEC employees, especially client-facing staff are expected to demonstrate the appropriate behaviors in accordance with the MDEC Client Charter. Please refer to the Company's Intranet.

3.9 REPORTING AN ABSENCE

If you are going to be late for work or unable to come to work because of an emergency, you must make every effort to inform your supervisor of the reason for your absence as soon as possible on the first day of your absence.

In cases where your supervisor cannot be contacted, you must inform other employees in the same workgroup.

3.10 ABSENCE WITHOUT LEAVE OR REASONABLE CAUSE

You shall not absent yourself without leave or without reasonable cause.

If you are absent without formally notifying your supervisor, the company reserves the right, after due process, to terminate your services.

3.11 DRESS CODE

You are required to be appropriately dressed, neat, tidy and well-groomed while at work and when representing the Company. Smart casual dressing is allowed on Fridays and certain informal occasions.

However, when visiting a customer or working at their site, you should adhere to whatever dress code is expected by the customer. You should determine the customer's dress code preferences before the visit. All professional employees should adhere to formal business attire during all meetings with clients. This would include formal suits whenever appropriate.

3.12 SMOKING, GAMBLING AND CONSUMPTION OF ALCOHOL/ DRUGS

You should not gamble or consume alcohol within the office premises.

Smoking within the office area is prohibited. If you wish to smoke, you should go to the foyer or balcony.

3.13 WORK STATION

Your work station including your work space and vicinity should always be neat and tidy. Files, documents and other stationery should be neatly arranged. No discarded material of any kind should be found on any work space. Everyone is jointly responsible for the upkeep of the office.

3.14 USE OF GENERAL OFFICE EQUIPMENT & COMMUNICATION FACILITIES

Usage of telephone

The telephone or mobile phone provided to you is for you to make and receive official calls. Personal calls are not encouraged. Please use your own mobile phone if you wish to make personal calls. However, should you need to make personal calls through the Company phone, the Company reserves the right to charge you on prevailing commercial rates.

Office Equipment

All office equipment including but not limited to fax machine, photocopier, computer, LCD Projector, scanner, printer and digital camera are to be used for company related work only.

Internet

You are not allowed to surf the Internet other than for job related purposes.

3.15 VISITORS

Employees are not allowed to bring personal visitors of office areas. All visitors on a business visit must be accompanied to the designated meeting area by an employee.

3.16 CONFLICT OF INTEREST

Typically, conflict of interest will arise where an employee's ability to perform his Company duties effectively and impartially is potentially impaired by an outside appointment, relationship or activity. This section is to state the Company's policy on conflict of interest so that employees can take this into account when forming their own judgments about any outside role, relationship or activity concerning them.

It is not possible to set out a detailed set of rules covering conflict of interest as such a set of rules could never cover all the circumstances. The following should, therefore, be regarded as being general guidelines which all employees should comply with.

Employees are relied upon to:

- Exercise basic common-sense in avoiding conflict of interest.
- Act in a manner consistent with giving their full-time services to the Company
- Avoid situations which give rise to questions as to whether they have acted in the best interests of the Company.

Note: On occasions, however, the question of whether or not conflict of interest exists may be less clear and open to interpretation. Whenever such a case arises the employee concerned should consult his respective Manager.

The following represents instances of conflict of interest.

3.16.1 Outside business appointments/undertakings

The general rule is that employees of the Company may not accept employment in or undertake work for any other company, firm or organisation. Any outside business appointment or undertaking, whether as employee, executive director, active partner, advisor, agent, manager or consultant, whether on a paid or gratuitous basis may only be undertaken in exceptional cases and then only with the CEO's written permission.

3.16.2 Outside non-executive directorships, etc.

Employees of the Company may not accept outside non-executive directorships or become silent partners in entities, which are either on the Company's list of authorised contractors or their sub-contractors of any tier which have any form of business dealings with the Company directly or indirectly.

Should employees become involved in such directorships or partnerships, say through the change in status of a business in which they hold a non-executive directorship or of which they are a silent partner, they have an obligation to inform the Head of Human Capital immediately in writing of the change in circumstances. The Head of Human Capital will then consult with the employee concerned as to the best possible way to prevent a conflict of interest.

3.16.3 Ownership of equity in entities having a business relationship with the company

Employees of the Company may not own, either directly or indirectly, e.g. through their families, shares or other forms of beneficial interest (herein collectively called "equity") in:

- a. Privately owned entities which derive the major part of their income from contractual or other business arrangements with the Company;
- b. Privately owned entities which are listed in the Company's list of authorised contractors or their sub-contractors of any tier, even if the entities concerned do not derive most of their income directly or indirectly from contractual or other business arrangements with the Company;
- c. Privately owned entities supplying materials, equipment, property and/or services to the Company whether directly or indirectly.

Should an employee become directly or indirectly e.g. through his family the owner of equity in such entities which have the aforesaid relationships with the Company, then the employee has an immediate obligation to inform the Head of Human Capital in writing of the changed circumstances. The Head of Human Capital will then consult with the employee concerned as to the most appropriate way to prevent conflict of interest.

As can be seen, the above ruling does not apply to shares held by employees in publicly quoted companies, which have a business relationship with the Company, either directly or through a subsidiary. However, in this case, if there is any possibility that such a holding could cause conflict with his/her duty as an MDEC employee, the employee concerned should bring the matter to the immediate attention of the Head of Human Capital in writing. In so far as an employee is involved in decisions regarding dealings with such companies in the course of his/her duties with the Company, it is recommended, in the employee's

own interest, that he/she, in any event, advises his/her Manager in writing of the holdings in question. The Manager will then decide whether or not it is necessary to forward this information to the Head of Human Capital.

3.16.4 Family interests

Employees whose families have interests (whether this be in the form of directorships, partnerships, shareholdings, or through agencies) in entities, which are on the Company's list of authorised contractors or their sub-contractors of any tier which have any form of business dealings with the Company whether directly or indirectly, and who are involved in any decisions regarding the dealings (whether directly or indirectly) with such entities in the course of their duties with the Company, should inform the Head of Human Capital in writing of such interests prior to entering into any such decisions/dealings. The Head of Human Capital will then consult with the employee concerned as to the best possible way to prevent a conflict of interest.

3.16.5 Contractual dealings with employees

The Company shall not purchase or lease property, equipment or materials from or enter into contractual arrangements (other than employment contracts) with its employees, except in exceptional circumstances and only then when authorised in writing by the Head of Human Capital. As a further exception, the Company has no objection to renting houses owned by employees or their families provided such interest has been declared to the Head of Human Capital.

3.16.6 Inside information on company business

Certain employees will, by nature of their position often be in possession of confidential information about the Company and/or its affiliates/associates. It is important, from the point of view of the Company and of the individual, that no grounds should be given for the suggestion that any such information, gained in the course of Company employment, has been used for personal advantage or used improperly. Various detailed guidelines are issued from time to time to certain employees on this subject. It suffices here to say that the basic principle of these guidelines is that an employee should not, without authority, disclose any confidential information about the Company's and/or its affiliates/associates' affairs to unauthorised persons or use or appear to use such information for the benefit of himself/herself or others.

3.16.7 Gifts

The Company does not wish to encourage the giving of gifts or the provision of gratuitous services by the Company's contractors or their sub-contractors of any tier, suppliers, bankers, dealers or customers to its employees, as this could place such employees in a position whereby their independent business judgement may be prejudiced. However, it recognises that during certain festive seasons it is the custom for contractors, etc., to give consumable gifts, e.g. hampers, to Company employees and that there are also a variety of small gifts and souvenirs such as calendars, diaries, desk diaries, which have little or no monetary value, and which are traditionally given to employees by such parties at certain times of the year. In recognition of the foregoing, the Company's policy is as follows :

- a. In no case should an employee accept any gifts of a substantial value or of a cash nature or the offer of gratuitous services from the Company's contractors or their sub-contractors of any tier, suppliers, bankers, dealers or customers, whether actual or potential and whether they be offered/made directly or indirectly or whether they be made to the employee or to his/her family.
- b. All gifts of whatever nature received by an employee or his family, either directly or indirectly, from the Company's contractors or their sub-contractors of any tier, suppliers, bankers, dealers or customers, whether actual or potential, other than "souvenir" items such as calendars, diaries, desk diaries, which have little or no monetary value, must, on receipt, be reported in writing by the recipient to his Manager.

- c. In each case, the employee will consult with the Head of Department for advice on whether or not the gift may be retained. The general principle guiding this decision will be that only gifts of a festive seasonal nature, which are consumable or a "souvenir" item and of low monetary value (less than RM250), will be allowed to be retained; all other gifts will have to be returned forthwith.

In no case should any employee or his family solicit gifts or gratuitous services from such parties.

The onus to report gifts received rests entirely upon the employee involved. Whereas the Company will, from time to time, remind employees of this obligation by circulars and will also advise contractors and suppliers of Company policy in this regard, the issue of this periodic reminder will, in no way, relieve the duty of employees to comply with the above obligations. If any employee is in doubt as to whether a "souvenir" item exceeds the criteria laid down in (b) and (c) above, it is recommended that the item be reported.

3.16.8 Entertainment

It is not unusual, in the course of business, for employees and their spouses to be entertained by contractors, dealers, suppliers or customers. If such entertainment becomes a regular feature or when it exceeds a reasonable scale, employees are advised to report this to their Manager. An occasional dinner is acceptable but lavish entertainment, or a paid holiday is not.

3.16.9 Public service, recreational, sporting, and community activities

Generally, the Company wishes to encourage the participation of employees outside working hours in unpaid voluntary public service, recreational, sporting and other community activities. Sometimes, however, these activities fall too heavily on certain individuals and the effectiveness of their work for the Company may, thereby be diminished. The general rule is that employees invited to serve on local bodies, or as an appointed or elected club officials must be able to combine their outside activities with full-time Company employment. Such employees must be able to discharge their dual responsibilities satisfactorily both in respect of the time taken up by the outside activity and the compatible nature for the duties involved.

Employees wishing to serve on both statutory and public bodies must obtain the Head of Human Capital's written permission.

Employees who consider it sufficiently important for them to take time off during working hours to undertake some outside activity or duty must obtain permission from their Manager beforehand.

3.16.10 Disclosures

All employees holding any Outside Business Appointment, Outside Non Executive Directorship, etc. any Local Statutory or Public Appointment or owning Equity, or whose family have Family Interests, all as defined above, must declare such interests in writing to the Company. Furthermore, all employees must, on receipt of this conflict of interest statement from the Company, complete the conflict of interest return attached to the statement and send the same to the Head of Human Capital. Similarly, all employees must make the written disclosure to the Manager mentioned in section 3.16.7 regarding Gifts.

3.17 CONFIDENTIALITY

You shall not, without written authority, disclose or otherwise make use of any technical, procedural, administrative, commercial and/or financial information in any form concerning the affairs of the Company or its processes to any party. Sharing of any such information should be on a need-to-know basis after the receiving party executes a company issued Confidentiality Agreement.

3.18 REPORTING BREACH OF RULES

You are required to inform your Head of Department if you know of any breach of Company policy or rule by an employee.

3.19 LIABILITY OF EMPLOYEE

Any payment that has to be made by the Company as a result of your negligence or careless action or as a result of an action taken without approval shall be recoverable from you by way of salary deduction.

Other actions may be taken against you at the Company's discretion.

Replacement for loss/damage of the Company's assets such as notebook computer, mobile phone or any other hardware/software or vehicle due to negligence shall be recoverable from you by way of salary deduction.

3.20 ACTS OF MISCONDUCT

Dismissals may be effected when employees, by their own act or default, have so departed from the required standards of work or conduct that the Company, after due process, decides it is sufficiently serious to warrant termination of service.

Serious acts of misconduct are those employee actions which serve to deceive the Company for personal gain, or those bringing disrepute to the Company, or those which blatantly disregards important Company rules and regulations. Some typical serious acts of misconduct are:

- Inaccurate Recording and Improper Use of Company Property
- Criminal Convictions
- Drug and Alcohol Abuse
- Misuse of IT facilities
- Sexual Harassment

3.20.1 Inaccurate recording & improper use of company property

The Company requires the recording of its activities to be fully accurate. Employees are expected to compile documents and computer data fully and correctly so that the actual situation is reflected in the Company records.

Similarly, the Company expects its employees at all levels to ensure that its property, including assets, equipment, cash, cheques and products are used for the purposes of the Company only.

Falsifying records so that they do not reflect the actual situation and misappropriation of Company property are activities which are treated as serious acts of misconduct.

There may be situations where specific circumstances do not fit the rules/guidelines of the activity. In such instances, the matter should be fully and completely disclosed to the Line Manager immediately the circumstances are known.

Where property has been misappropriated, the Company will seek full restitution from the offending party/parties.

3.20.2 Infringement of safety rules & regulations

Whereas it is the Company's responsibility to ensure that all plants and facilities are installed and maintained in safe conditions, it falls upon employees to ensure that safe operating procedures are strictly followed. The Company places great importance on safety performance because infringement of safety rules or lapses in safety consciousness may give rise to serious adverse consequences to employees, their co-workers, and to plant and machinery.

The high degree of emphasis on safety is designed to avoid, in particular, work related injury and fatal incidents at work. Employees are forewarned that the non-compliance with applicable safety regulations and procedures will render them liable to severe disciplinary action.

3.20.3 Criminal convictions

The Company expects its employees to be law-abiding citizens. If an employee is convicted of a criminal offense in a court of law, the Company reserves the right to take disciplinary action after taking into due consideration the nature and seriousness of the offense as guided by the Penal Code and the Prevention of Corruption Act, 1961.

3.20.4 Drug & alcohol abuse

The Company considers alcoholism, drug and other forms of substance abuse as problems which adversely affect employee's health, the ability to perform their jobs, and which endanger their safety and that of their co-workers. These problems are viewed seriously as they contradict the Company's policy of maintaining a healthy, effective workforce and a safe working environment.

The Company's policies and procedures in dealing with drug and alcohol problems are detailed respectively in Appendices 3, 4 and 5.

3.20.5 Use of IT facilities

In view of the increasing importance of information technology in the Company, it falls upon employee to ensure that all IT equipment and software are used for the purposes of the Company only. It is also a responsibility of the employee to protect any unauthorized access to the Company's system. Any violation of IT policies & procedures, including any breach of information security, constitutes a serious offence and may result in dismissal.

These violations, amongst other things, include:

- Use of unlicensed / illegal software on company computers
- Allow 3rd party access to or use of Company IT facilities without proper authorization.
- Unauthorized attachment of communication equipment (e.g. modem) to company network.
- Unauthorized access to computer information including unauthorized access to another user's account.
- Use of Company IT facilities for non-business or personal purposes.