

CODE OF CONDUCT AND BUSINESS ETHICS FOR EMPLOYEES

1. Objective

Code of Conducts and Business Ethics (the “Code”) is to provide guidance on the standard of expected employees behavior derived from Company Core Values and Business Principles. This Code also provide strong anti-corruption and bribery commitment to prevent acts of offering, receiving and requesting for bribe which are corruption offences. All Employees are expected to adhere to the general principles as well as to comply will all the specific provisions of the Code that are applicable to them and other policies adopted by the Ayer Holdings Berhad (hereinafter referred to as “AYER”).

All Employees shall always observe and ensure compliance with all applicable laws and regulations as well as the standards of professional conducts and ethics, whilst carrying out their duties to ensure that AYER’s reputation and integrity are protected.

2. Community & Society

AYER is committed to making a positive difference in the society and mindful of the consequences that affects people around. Employees shall make full effort to carry out their duties by focusing on safeguarding people’s health, protecting the environment, enhancing social security and cultivating serene community.

3. Safety, Health and Security

The health of the Employees and the safety of the workplace shall always be a priority concern. The Company takes a strong commitment to continually improve on the standards set and expects constant safety vigilance by every Employee. Employees must be equipped with the relevant and adequate safety tools while carry out the duties.

4. Assets, Properties & Facility

Employees are entrusted to use and maintain the Company’s asset with care. Employees should not only follow policy of use but also help to safeguard the Company assets and immediately report any suspected theft, damage, misuse, fraud, embezzlement or improper usage.

Computing assets are intended to be used for business purposes. It is the Employee’s responsibility to be familiarized with the policies to avoid violation of use. Employees should not allow any party to use their access right to the Company system. Unauthorized download or installation of non-standard software or system is not allowed.

The Company reserves the right to monitor or audit employee's use of its IT and communication systems, and access, review and disclose data stored to ensure appropriate use and compliance.

Manuals, training materials and other documents pertaining to the Company's business must be kept confidential and are to be returned when employees ceased employment with AYER.

5. Proprietary & Confidential Information

Employees are obliged to protect the confidentiality of the Company's information and guard against unauthorized disclosure or use. Confidential or proprietary information includes all information that is not generally known to the public and is valuable to the Company or would be helpful to our competitors. Proprietary information should be marked accordingly, kept secure and access should be limited to those who have a need to know in order to do their jobs.

Employees shall not discuss internally or externally confidential information of the Company in particular information pertaining to its business, R&D activities, partners, customers and employees, except when required by Law or in the normal course of conducting the Company business.

All inventions, discoveries, ideas, and improvements that results from any work performed by the employee or jointly with the Company are the sole and exclusive property of AYER. Employees shall not participate in any capacity in other business organizations, political activities, without obtaining prior consent from the Company.

Employees shall not, even after their termination of employment, to divulge confidential information either directly or indirectly to any person or companies, without consent from the Company.

The easy access of electronic communication in today's world means Company information is easily available on the Web. Employees have to ensure that work-related communication complies with the Code prior publication. Publishing of information that may in anyway jeopardize the Company reputation is strictly prohibited, and it may bring upon legal consequences. This applies to disclosure by any medium, including publication of articles or books, Short Message Services (SMS) and the internet, especially via social media sites (e.g. Facebook, Twitter, YouTube, etc.), internet message boards and/ or blogs.

6. Conflict of Interest

Employees should avoid any situation that involves, or appears to involve, a conflict between their personal interest and the interest of the Company. This means Employees should avoid circumstances that might affect their judgement or impartiality when performing their jobs.

As it is impossible to describe every potential conflict of interest, Employees are expected to exercise good judgement, to seek advice when appropriate and to adhere to ethical standards in the conduct of the professional and personal affairs.

If an employee discovers that, as a result of changed circumstances or otherwise, he/ she has become involved in a conflict of interest or is in competition with the Company, the employee must declare to the Company as soon as the matter comes to his/ her knowledge.

An employee shall declare and seek approval from the Company if he/ she sits as a member of a Board or holds directorship in other companies, including the interests of any subsidiaries or business associated with or related to the Company except with special permission from the Management.

7. Gift, Benefits or Entertainment

Employees shall not be influenced by receiving favors nor shall they try to improperly influence others by providing favors. Employees should refrain from receiving gifts from third parties, although at times he/she may accept gifts of nominal value such as inexpensive novelty or promotional items. These could include pens, coffee mugs, calendars or inexpensive business meals. Accepting gifts of higher value may be construed as willingness to compromise the Company's name. Employees and members of their families are prohibited from accepting any gifts of more than nominal value, including price discounts on articles purchased for personal use, unless the same discounts are available to all other employees. As a general rule, accepting a gift of RM100 or more is not allowed. If in doubt, before accepting any gifts or courtesy, please consult with the respective Head of Department for advice and approval relating to acceptance of gifts and entertainment.

8. Integrity and Ethics, Anti-Corruption and Bribery Compliance

All employees must comply strictly to the Malaysian Anti-Corruption Commission Act 2009 (revised 2018) (“MACC Act”). Under the MACC Act, gratification has been widely defined to include, among other things:

- a) money, gift, donation;
- b) valuable consideration of any kind;
- c) any contracts
- d) forbearance to demand any money or monies worth or valuable thing/item;
- e) any other service or favour of any description.

As all employees had undergone the mandatory training on MACC Act and passed the online test to ensure full understanding of the MACC Act, it is therefore important that all employees obey the MACC Act by placing importance and understanding how bribery and corruption may be committed and the legal consequences to AYER.

By virtue of Section 17A of MACC Act, a commercial organization commits an offence if any person associated with the commercial organization commits a corrupt act in order to obtain or retain business or advantage for the commercial organization. If an offence is committed by a commercial organization, the MACC Act also deems its directors, controller, officer, partner or persons concerned in its management of affairs to have committed the same offence.

AYER upholds a zero tolerance approach against all forms of bribery and corruption. AYER is committed to performing professionally, fairly and with integrity in all area of business dealings and relationships. Hence, all employees are to adhere to the Code and AYER policies while they are conducting business on behalf of AYER. The expected Code include among others:-

- a) Be honest and truthful in discussions with business partners, vendors, regulatory agency representatives and government officials;
- b) To carry out procurement and business relations in an honest and fair manner;
- c) To comply with all applicable laws and regulations concerning bribery, corruption, fraud, money laundering and any other prohibited business practices;
- d) Never offer a bribe, kickback, or bartering arrangement for goods or services or any other incentive to 3rd party whether for personal or AYER’s benefit;
- e) To protect the confidentiality of information;

- f) Shall not take advantage of the trust given in one's own interest; and
- g) Shall not receive or give any reward or treat that is of a value that exceeds reasonable cultural norms.

In order to mitigate the risk of bribery and corruption, an Anti-Corruption Clause shall be included in all agreements with vendors or any 3rd party. By executing the agreement, the parties to the agreement agree to adhere to Anti-Corruption Clause and shall act in good faith whilst performing their contractual obligation.

9. Administration

Employees found not complying this Code will be subjected to disciplinary action not limiting to termination of employment as well as civil or criminal liability.

This Code shall be reviewed by the Company from time to time, during which amendments can be made in line with the changes in law, governance code couple with the change in Company's vision, mission and business plans.

A copy of the Code is made available for reference in the Company's website at www.ayer.com.my