



## **TRI-MODE SYSTEM (M) BERHAD**

(COMPANY NO: 229265-X)

### **CODE OF CONDUCT AND ETHICS**

#### **INTRODUCTION**

Tri-Mode System (M) Berhad (“Tri-Mode” or “the Company”) and its subsidiaries (“the Group”) are committed to the highest standard of corporate governance and business integrity.

In recognizing the abovementioned values, the Group has adopted the following Code of Conduct and Ethics (the "Code") for Board of Directors (“Board”), Management and employees of the Company and each of its subsidiaries (“Officers”). Failure to comply with the Code could result in disciplinary action which may include termination.

The Code reflects the Company’s core values and the principles of behaviour that supports the maintenance of the highest standards of professional, legal and ethical conduct. These principles govern its relationships with customers, suppliers, shareholders, competitors, the communities in which it operates and extends to all employees of the Company. The Company is also committed to create a workplace, at all its working locations, that, at all times, is free from harassment and discrimination, where co-workers are respected, and provide an appropriate environment so as to encourage good performance and conduct.

#### **VALUES**

The Company has adopted the following values:

- i. To act honestly, fairly and professionally in all business dealings
- ii. To foster a culture of integrity
- iii. To work together to promote a safe, ethical and professional workplace - To comply with the laws, rules and regulations under which the Company conducts its business
- iv. To respect the local communities wherever the Company operates

#### **COMPLIANCE OFFICER**

The Company has designated the Group Managing Director as its Compliance Officer to administer the Code. Directors, at their discretion may make any report or complaint provided for in the Code to the Chairman of the Board or the Group Managing Director. The Chairman of the Board or the Compliance Officer will refer the complaints submitted, as appropriate, to the Board of Directors.

#### **DIRECTORS & SENIOR MANAGEMENT PERSONNEL**

- a) Board or Board of Directors or Directors shall mean and include all the Directors, on the Board of the Company and its subsidiaries for the time being, whether executive or non-executive and whether the Director is independent or non-independent and for the purpose of applicability of the Code, includes the senior management personnel.
- b) Senior management personnel shall mean all executives, other than Directors, who are part of the core management team and includes all functional Heads, as may be decided by the Company. This policy is designed to facilitate the whistle blower to report or disclose through



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established channels, concerns about any violations of the Code, including, but not limited to fraud, bribery, sexual harassment, criminal breach of trust, conflict of interest, misuse of confidential information or other acts of wrong doing.

### **COMPLIANCE WITH APPLICABLE LAWS**

Directors and employees must comply with all the laws, rules and regulations applicable to the Company or its business. The Code does not summarise all laws, rules and regulations applicable to the Company or its business but will on occasion provide to the Directors information about specific laws, rules and regulations which may include securities laws concerning disclosure requirements and insider trading.

Directors are expected to consult with the Chairman of the Board or such other appropriate professionals if they have questions about laws, rules and regulations that they think may be applicable to the Company or its business.

### **CONFLICTS OF INTEREST**

- a) A "conflict of interest" may exist whenever the interests of a Director or employee conflicts in any way (or appearing to be conflicted) with the interests of the Company. While Directors or employees should be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any interests that adversely influence the performance of their responsibilities.
- b) A conflict of interest may arise when a Director or employee takes actions or has interests that may make it difficult for him/her to perform his/her responsibilities objectively.
- c) A conflict of interest may arise when a Director or employee, or a member of their family, receives improper personal benefits as a result of their relation with any business entity whether received from that entity or a third party. Gifts, or loans to, or guarantees of obligations of, Directors, employees or their family members may create conflicts of interest. Moreover, the Companies Act 2016 prohibits loans from the Company to directors.
- d) Although it is not always possible to avoid conflicts of interest, it is the Company's policy to avoid such conflicts whenever possible. Conflicts of interest may not always be clear-cut, so if Directors or employees are in doubt they are expected to consult with the Chairman of the Board or the Compliance Officer.
- e) Any Director who becomes aware of a conflict or potential conflict of interest is expected to bring it to the attention of the Chairman of the Board or the Compliance Officer. Any employee who becomes aware of a conflict or potential conflict of interest is expected to bring it to the attention of their immediate superior, manager, Board of Directors or the Compliance Officer.
- f) Except as may be approved by the Board, Directors and employees are prohibited from:
  - i. Taking personal benefits by depriving any opportunities that belong to the Company or discovered through the use of the corporate property, information or position.
  - ii. Competing with the Company.



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- iii. Using corporate property, information, or position for personal gain.
  
- g) Should a Director or employee or a member of their family be involved with or becomes a shareholder in a business in competition with the Company or any other business that may cause a conflict of interest with the Company, or he/she becomes a director, partner, advisor or participant in any other capacity in another company or business that may cause a conflict of interest with the Company, he/she must inform the Board of Directors in writing.

### **CONFIDENTIALITY**

- a) All Directors and employees must maintain the confidentiality of confidential information or business secrets entrusted to them by the Company, except when the Company authorises disclosure or disclosure is required by laws, rules, regulations or legal proceedings. The term "confidential information" includes, but is not limited to, non-public information that might affect the business of the Company or its share price, be of use to competitors of the Company, harmful to the Company or its customers if disclosed.
  
- b) Directors and affected employees must not use information which is not generally known and which may influence the share price of the Company and must refrain from dealing in the shares of the Company at sensitive times pending major announcements in accordance with the rules governing moratorium on share trading during closed periods. Insider information shall also not be given to any third party for the purpose of dealing in the shares of the Company.
  
- c) Directors are expected to consult with the Chairman of the Board or the Compliance Officer if they believe they have a legal obligation to disclose confidential information. Employees are to consult with the Compliance Officer.

### **FAIR DEALING**

- a) Each Director is expected to deal fairly with the Company's customers, suppliers, competitors, officers and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.
  
- b) Inappropriate use of proprietary information, misusing of trade secret information that was obtained without the owner's consent, or inducing such disclosure by past or present employees of other companies is prohibited. Under the Companies Act 2016, each Director must perform his/her duties for a proper purpose and in good faith and in the best interest of the Company.

### **GIFTS, GRATUITIES AND ENTERTAINMENT**

- a) Each and every Officers must not accept entertainment, gifts, or personal favours that could, in any way, influence, or appear to influence, business decisions in favour of any person or organisation with whom or with which the Company has, or is likely to have, business dealings.



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- b) Similarly, the Officers must not accept any other preferential treatment under these circumstances because their positions with the Company might be inclined to, or be perceived to, place them under obligation to return the preferential treatment.

### **ANTI-BRIBERY**

All Directors and employees shall never offer, give, ask for, accept or receive any form of bribe. A bribe occurs when someone attempts to influence a decision by offering some form of undue or improper advantage, incentive or favour.

### **ANTI-MONEY LAUNDERING**

“Money Laundering” is the process by which persons or groups try to conceal the proceeds of illegal activities or try to make the sources of their illegal funds look legitimate. The Group will to the best of its ability and knowledge conduct businesses with reputable customers with legitimate funds, for legitimate business purposes.

### **HUMAN RIGHTS**

The Company supports and respects human rights. The Company treats officers with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination. Officers should respect the personal dignity, privacy and rights of each individual they interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

### **PROTECTION AND PROPER USE OF COMPANY ASSETS**

All Directors and employees are expected to exercise their business judgement in a manner that protects the Company's assets and promotes their efficient use. All Company's assets are to be used for legitimate business purposes.

### **COMPLAINTS**

The Compliance Officer is responsible for establishing procedures for the receipt, retention and treatment of complaints. Directors who have concerns or complaints regarding any matter are requested to send their concerns and complaints to the Chairman of the Board or the Compliance Officer who shall treat such complaints as confidential.

Directors are requested to promptly communicate any suspected violations of the Code, including any violation of law, rules or regulations under which the Company is subject to the Chairman of the Board or the Compliance Officer if it is believed that he/she has observed illegal or unethical behaviour by any employee, officer, or Director, or by anyone purporting to be acting on the Company's behalf and, the reporting Director has any doubt about the best course of action in a particular situation.

Directors should promote ethical behaviour and will ensure that employees who raise concerns or complaints regarding any illegal conduct or malpractice in good faith will not be subjected to victimisation, harassment or discriminatory treating and to having such concerns or complaints properly investigated.



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The Board has implemented a formal Whistleblowing Policy which is communicated to all employees and set up an independent channel for all Directors and employees to anonymously report any concerns or complaints of illegal conduct or malpractice or potential misconduct. The Chairman of the Audit Committee has been designated as the person to whom all whistleblowing concerns or complaints may be directed.

**AMENDMENT, MODIFICATION AND WAIVER**

This Code may be modified, amended from time to time or waived subject to the disclosure and other provisions of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad and any other applicable regulations of other regulatory entities.

Dated: 10 April 2019