



TEXCHEM RESOURCES BHD.

TEXCHEM RESOURCES BHD. (“TEXCHEM”) CODE OF CONDUCT AND ETHICS

We are committed to achieving sustainable performance and delivering value to our customers and shareholders without compromising our ethical standards, behavior expectation and trusted reputation.

As such, we operate in a manner reflecting Texchem’s values, adhering to the best practice in corporate governance and in accordance with all applicable laws, regulations and other policies applicable to Texchem.

Our Code of Conduct and Ethics (“CoCE”) states the standards of responsibility and obligations and promotes fair dealing, integrity and ethical conduct amongst Texchem’s directors, management and employees (“Texchemers”).

I. Principles

1. Compliance with Laws

1.1 Texchem operates in a highly regulated business environment and its activities are subject to numerous laws, regulations and licensing conditions. Texchemers must ensure that they familiarise themselves with the laws, regulations and licence conditions applicable to their activities. If in doubt, they are to seek advice from the Manager of Group Human Resources Department.

1.2 Texchemers’ activities and the business activities of Texchem must be conducted in absolute compliance with applicable laws and regulations.

2. Health and Safety

2.1 Health and safety, social responsibility and environmental sustainability are crucial to maintaining our social licence to operate. Safe operations depend not only on technically sound plant and equipment, but also on every person working for Texchem taking responsibility for preventing workplace-related injuries and illnesses and using the tools and procedures we have in place.

2.2 Texchem is committed to provide effective support and training for the employees of Texchem to assist them in their responsibilities of ensuring a safe workplace and reducing the environmental impacts of their activities.

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3. Fair Dealing and Equality in Employment

- 3.1 The aim is to provide an environment in which the Texchemers, customers, suppliers and other business partners are treated fairly and equitably irrespective of, amongst others, sex or sexual orientation, race or ethnicity, age, disability and religion. Texchemers are to conduct themselves and the business activities of Texchem to facilitate these aims being achieved.
- 3.2 Texchem will compete effectively and fairly in the markets in which it operates. It will be ethical and responsible in the way it presents products and services to its customers, uses its market power and its pricing practices.
- 3.3 No Texchemers shall offer to, solicit or accept any gift or personal benefit in connection with their work. However, Texchem acknowledges that modest gifts and reasonable entertainment, which are of socially acceptable nature and value, form part of the normal course of business.
- 3.4 Texchem is committed to developing and maintaining a diverse workforce and to providing a work environment in which every employee is treated fairly and with respect, has the opportunity to contribute to business success and to realise their potential.

4. Confidentiality and Protecting Texchem Assets

- 4.1 Texchemers must keep confidential all information that would reasonably be considered to be confidential, including but not limited to terms and conditions of contracts entered into by Texchem, employee and customer details, performance and financial details and policies and procedures of Texchem.
- 4.2 Texchem will only collect and retain confidential information that is necessary to meet business requirements, and as permitted by law in places where we operate.
- 4.3 Assets and confidential information should be fully protected and the Texchemers are responsible for safeguarding and appropriately using the same under their control. Texchem assets and confidential information must not be used for personal gain or for any other reason that is not in the best interests of Texchem.
- 4.4 Intellectual property can be an invention, trademark, original design or the practical application or expression of a good idea that has commercial value. Texchemers must work to safeguard Texchem's intellectual property from use by outsiders.
- 4.5 Misappropriation of property owned by Texchem, Texchemers, customers or suppliers will not be tolerated. Any misappropriation should be immediately reported and properly investigated. Appropriate disciplinary and/or legal action will be taken.

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5. Conflict of Interest

- 5.1 Texchem respects the privacy of Texchemers. However, on the job or in Texchemers' personal time, Texchemers must not act or do anything that may conflict with their responsibilities to Texchem or compromise, or appear to compromise, the quality of their work performance, their commitment to their work or their ability to make impartial business decisions. Texchemers are to act in the best interests of Texchem.
- 5.2 If Texchemers fail to make the required disclosure on own accord and Texchem becomes aware of an instance of conflict of interest that ought to be disclosed by the Texchemers, Texchem shall take a serious view of the matter and consider suitable disciplinary action against the Texchemers.

6. Bribery and Corruption

- 6.1 Texchem firmly believes in acting professionally, fairly and with integrity in all its business dealings and relationships. Texchemers are expected to act consistently with the laws and policies on anti-corruption in conducting business legally, ethically and with integrity.
- 6.2 Texchemers shall not offer, give, solicit or accept bribes in order to achieve business or personal advantages for themselves or others or engage in any transaction that can be construed as having contravened the anti-corruption law.
- 6.3 Items considered bribes may be in any form, monetary or otherwise including but not limited to unauthorized remuneration such as referral fee, commission or other similar compensation, materials goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.
- 6.4 Texchemers shall assess the appropriateness of their actions by assessing if the action could influence or may influence the business relationship, expose Texchem to potential civil liability, significant reputational harm and/or undermine the trust of Texchem's customers and shareholders.
- 6.5 Notwithstanding this, Texchem recognises that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate contribution to good business relationships, goodwill or as part of local tradition. Generally, all invitation to business luncheons or dinners may be given or accepted by the Texchemers.

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7 Money Laundering

- 7.1 Money Laundering occurs when the criminal origin or nature of money or assets is hidden in legitimate business dealings, or when legitimate funds are used to support criminal activities, including terrorism. Offences covered by anti-money laundering legislation include prejudicing or obstructing an investigation and failing to report suspicious activity.
- 7.2 Texchem does not condone, facilitate or support any activity that is even remotely associated with money laundering or financing of terrorism. Texchemers must be on their guard to help protect Texchem's reputation and ensuring compliance with the laws.
- 7.3 Texchemers' responsibilities:
- a) must not knowingly deal with criminals, suspected criminals or the proceeds of crime.
 - b) must act diligently to prevent Texchem's products and services from being used to further money laundering and terrorist financing.
 - c) apply the appropriate level of due diligence when entering into business relationships and where applicable, individual transactions.
 - d) mindful of the risk of Texchem's business being used for money laundering activities and to raise any suspicious transactions to their immediate superior.

8. Insider Trading

- 8.1 Any information relating to or generated by Texchem that is not publicly available through independent sources (e.g. newspaper, company website, social media page, Bursa Malaysia Securities Berhad website) is confidential and proprietary. Texchemers must safeguard any information that they have access to in the course of their daily duties or while discharging their responsibilities. Any unauthorised disclosure of such information may lead to serious damage to Texchem's interest.
- 8.2 Texchemers who have access to proprietary and confidential information on Texchem or any third party that may impact the value of Texchem/the third party's shares which are publicly traded are not allowed to make use of such information for personal gain or disclosing such information to external parties, including family members. Examples of such information are Texchem's results announcements and proposed dividends, actual or potential material acquisitions, divestments, mergers, joint ventures or major developments in any significant lawsuit.
- 8.3 Texchemers must ensure that all transactions in Texchem's shares comply with the procedures set out in the Bursa Malaysia Listing Requirements and the laws on insider trading.

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- 8.4 Texchemers must always protect confidential or proprietary Texchem information and keep electronic and paper documents and files containing confidential information in a safe place with access limited to only those who are entitled to it.
- 8.5 Texchemers must consult their respective Head of Department if unsure of the status of the information held by them.

II. Appropriate Communication and Feedback Channels

1. Texchemers or external parties are to report genuine suspicions of non-compliance with the CoCE without fear of retribution or retaliation.
2. The reporting of non-compliances with the CoCE may either be made to the Manager of Group Human Resources Department (“GHRD”) or Division President or President and Group Chief Executive Officer or may be done in accordance with the Whistleblower Policy (where relevant) and such reporting shall be in a safe environment which enables the Texchemers or external parties to speak up without fear, reprisal or victimisation.

III. Whistleblower Policy

1. The Whistleblower Policy guides Texchemers to approach Texchem regarding any violation of the CoCE, improper or unethical conducts or illegal activities. Every Texchemer can report to Texchem on any instances of such violation.
2. The Whistleblower Policy ensures that GHRD will deal with any communication made in good faith (“Protected Disclosure”) appropriately.
3. Whistleblowers should submit all Protected Disclosure to the Head of GHRD or Division President or President and Group Chief Executive Officer in writing or e-mail to ensure a clear understanding of the issue raised.
4. Whistleblowers should act in good faith and must disclose his/her identity in the letter or e-mail forwarding such Protected Disclosure, failing which the disclosure may not be investigated.
5. If the Protected Disclosure involves the Head of GHRD or Division President or President and Group Chief Executive Officer, the Whistleblower is to report the matter directly to any one of the other 2 uninvolved parties.
6. The Head of GHRD or Group Internal Assurance and Consulting Department or Investigator(s) appointed by the President and Group Chief Executive Officer will be responsible to investigate/oversee the investigations. All investigators are independent and they are required to conduct their investigation and analysis in a fair and objective manner. They are also required to uphold high legal and professional standards.

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7. Texchem shall provide full protection to all Whistleblowers. They will be protected against any unfair labour/employment practices. Texchem shall take necessary steps to minimise difficulties that the Whistleblower may experience/encounter because of the Protected Disclosure. The identity of the Whistleblower shall be kept confidential.
8. Whistleblowers who made Protected Disclosure that were subsequently found to be false or reported otherwise than in good faith will lose the protection under the Whistleblower Policy. In this aspect, Texchem has the right to take appropriate disciplinary action against the Whistleblower.
9. The outcome of all investigations shall be presented to the Independent Directors of Texchem on a timely basis upon the conclusion of each investigation.

IV. Amendment

The revised CoCE shall take effect on 26 October 2017 and Texchem reserves its right to amend or modify the CoCE in whole or in part, at any time without assigning any reason whatsoever.