



TEXCHEM RESOURCES BHD CODE OF CONDUCT AND ETHICS

Texchem Resources Bhd and its subsidiaries (“Texchem”) are committed to achieving sustainable performance and delivering value to our shareholders and stakeholders without compromising our ethical standards, behaviour expectation and trusted reputation.

As such, we operate in a manner reflecting Texchem’s values, adhering to the best practices 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 Group Legal and Secretarial Services 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. Texchemers shall comply with applicable laws and Texchem’s policies related to health, safety and security of the workplace. Safe operations depend not only on technically sound plant and equipment, but also on every person working

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for Texchem taking responsibility for preventing workplace-related injuries and illnesses and using the tools in accordance with 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. All potential hazards, behaviours or practices that may cause harm should be reported.

3. Fair Dealing and Equality in Employment

- 3.1 The objective is to provide an environment in which 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 this objective being achieved.
- 3.2 Texchem does not tolerate abuse of power. It is important that Texchemers can work in a fair and safe place that encourages innovation and continuous improvement. Texchemers are entitled to a safe working environment that is free from discrimination, exploitation, bullying, harassment or inappropriate language or behaviour
- 3.3 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.
- 3.4 Texchem will compete effectively and fairly in the markets in which it operates through legal and ethical business practices. 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.

4. Confidentiality

- 4.1 Texchem values and protects its own confidential information and Texchem respects the confidential information of others.
- 4.2 Confidential information consists of any non-public information, including, without limitation, laboratory results, opinions, technical, engineering, designs, specifications, processes, manufacturing, financial, sales, marketing, management, quality control, terms and conditions of

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contracts entered into by Texchem, employee and customer details or other information related to the business operations of Texchem and any information received from others that Texchem is obligated to keep confidential.

- 4.3 Texchemers shall not disclose confidential information or allow such disclosure and shall use best efforts to avoid unintentional disclosure. This obligation continues beyond the termination of employment.
- 4.4 Texchem respects that third parties have a similar interest in protecting their confidential information. Texchem will only collect and retain confidential information that is necessary to meet business requirements, and as permitted by law in places where Texchem operates.
- 4.5 Texchemers shall treat confidential information of third parties with the same degree of care as for Texchem's own information of like importance.

5. Protecting Texchem's Assets

- 5.1 Texchem's assets should be fully protected and Texchemers are responsible for safeguarding and making proper and efficient use of Texchem's assets which are under their control. Texchem's assets must not be used for personal gain or for any other reason that is not in the best interests of Texchem.
- 5.2 These obligations cover both tangible and intangible assets of Texchem including but not limited to invention, trademark, original design or the practical application or expression of a good idea that has commercial value, know-how, confidential and proprietary information.
- 5.3 Misappropriation of property owned by Texchem or assets entrusted to Texchem by others will not be tolerated and such misappropriation may lead to disciplinary sanctions or criminal charges. Any misappropriation should be immediately reported and properly investigated. Appropriate disciplinary and/or legal action will be taken to safeguard such assets.

6. Conflict of Interest

- 6.1 Texchem respects the privacy of Texchemers. However, Texchemers must at all times 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

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their ability to make impartial business decisions. Texchemers are to act in the best interests of Texchem.

- 6.2 If a conflict of interest situation has occurred or if a Texchemer faces a situation that may involve or lead to conflict of interest, the Texchemer shall disclose it to his or her Head of Department and/or to resolve the situation in a fair and transparent manner.
- 6.3 If a Texchemer fails 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 such Texchemer, Texchem shall take a serious view of the matter and consider suitable disciplinary action against such Texchemer.

7. Anti-Corruption

- 7.1 Texchem has zero tolerance on all forms of corruption in the course of its business dealings.
- 7.2 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.
- 7.3 Texchemers shall not corruptly give, agree to give, promise, offer, solicit or agree to accept gratification as an inducement or an award in order to achieve business or personal advantages for themselves or Texchem or engage in any transaction that can be construed as having contravened the anti-corruption law.
- 7.4 Items considered gratification may be in any form, monetary or otherwise. For guidance, the definition of gratification provided in Section 3 of the Malaysian Anti-Corruption Commission Act 2009 is adopted in this CoCE.
- 7.5 Texchemers shall assess the appropriateness of their actions by assessing if the action could influence or may influence the business relationship, exposing Texchem to potential civil and criminal liability, significant reputational harm and/or undermining the trust of Texchem's shareholders and stakeholders.
- 7.6 Notwithstanding the foregoing, Texchem recognises that the acceptance or offer of modest gifts and reasonable entertainment which are of

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socially acceptable nature and value forms part of local culture or tradition.

8. Anti-Money Laundering and Anti-Terrorism Financing

- 8.1 Money Laundering is a process of converting cash or property derived from criminal activities to give it a legitimate appearance. Terrorism financing is the act of providing financial support, funded from either legitimate or illegitimate source, to terrorists or terrorist organisations to enable them to carry out terrorist acts or for the benefit of any terrorist or terrorist organisation.
- 8.2 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.
- 8.3 Texchemers are prohibited from directly or indirectly engaged in a transaction that involves proceeds of unlawful activity.
- 8.4 Texchemers are required to promptly raise any suspicious transactions to their immediate superior when they have reason to suspect that the transaction or attempted transaction involves proceeds from an unlawful activity or that the customer is involved in money laundering or financing of terrorism.

9. Insider Trading

- 9.1 Texchemers who have access to insider information on Texchem that may impact the value of Texchem'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 insider information are Texchem's results announcements and proposed dividends, management changes, business restructuring, actual or potential material acquisitions, divestments, mergers, joint ventures or major developments in any significant lawsuit and any information relating to or generated by Texchem that is not publicly available (e.g. Bursa Malaysia Securities Berhad's website, company website, newspaper, social media page).
- 9.2 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.

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9.3 Texchemers must ensure that all transactions in Texchem's shares comply with the procedures set out in the Bursa Malaysia Securities Bhd's Listing Requirements and the laws on insider trading.

9.4 Texchemers must consult their respective Head of Department if unsure of the status of the information held by them.

10. Social Media and Public Communication

10.1 All communications made about Texchem must be accurate and reflect Texchem's views. Texchemers must not make any statements to the media or on any public forum, including social media on behalf of Texchem unless being expressly authorised to do so.

10.2 Texchemers must abide by all Texchem's policies when posting information on Texchem to blogs or social network sites. Texchemers shall refer any questions from the media to the Corporate Communications Department.

II. Whistleblower Policy

1. The Whistleblower Policy guides Texchemers and/or external parties to approach Texchem regarding any violation of the CoCE, improper or unethical conducts or illegal activities including fraud, corruption and abuse of power. Every person can report to Texchem on any instances of such violation for the best interest of Texchem.
2. The Whistleblower Policy ensures that the Group Human Resource Department ("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. This is to facilitate Texchem to clarify or obtain further information for purposes of further investigation into the Protected Disclosure.
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 two uninvolved parties.

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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.
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 frivolous, vexatious, false, baseless, malicious, reported otherwise than in good faith, participated in the improper conduct disclosed and/or reported with the motive of avoiding dismissal or other disciplinary action 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.

III. 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 Head of 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.

IV. Amendment

The revised CoCE shall take effect on 15 May 2020.