



SAPURA RESOURCES BERHAD

(3136-D)

CODE OF CONDUCT

AND

ETHICS FOR DIRECTORS

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1. INTRODUCTION

- 1.1 The standards of conduct and behaviour of company directors in Malaysia are prescribed by the Companies Act 2016. Directors are also regulated by the common law, other government legislations and the Main Market Listing Requirements. .
- 1.2 The Board of Directors (“Board”) of Sapura Resources Berhad (“SRB”) recognises that it is important that there exist a level of acceptable corporate behaviour in order to uphold corporate integrity. There is a need to formulate standards of corporate behaviour to create an ethical corporate climate.
- 1.3 These standards of conduct and ethical behaviour are critical to the success of their operations. Adherence to ethical values will create an environment of mutual trust whilst increasing the confidence of the stakeholders, the shareholders and most importantly, the public at large.
- 1.4 The Board is committed to the highest standard of conducts in its relationships with its employees, customers, members/ participants, shareholders, stakeholders, regulators and the public, premised on the core principles of sincerity, integrity, transparency and accountability.
- 1.5 The Board is obligated to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the applicable laws, rules, regulations, guidelines and internal policies and relevant procedures.
- 1.6 This Code of Conduct and Ethics for Directors (“**Code**”) is to provide the fundamental guiding principles and standards applicable to the Directors where such principles and standard are founded on high standards of professional and ethical practices. The Directors acknowledge that they must exercise judgement in applying the principles embodied in this Code to any particular situation. This Code is not intended to be exhaustive. It should be read in conjunction with the existing framework of all relevant laws and regulations as well as the directives and policies of SRB including any relevant best practices/ standards in corporate governance and provisions of the constitutions of companies within SRB. The provisions of this Code are in addition to, and not in substitution for, any obligation imposed upon a Director by agreement, common law, equity, statute or regulation. Compliance with this Code will not relieve a Director from any such obligations.

2. OBJECTIVES

This objective of this Code is to record the ethical and professional standards of corporate and individual behaviour expected of the Board. This Code provides guidance to the Directors to assist them in carrying out their duties and responsibilities in accordance with the standards of professional conduct expected by SRB.

This Code is formulated to enhance the standard of corporate governance and corporate behaviour with a view to achieving the following objectives:

1. To establish a standard of ethical conduct for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
2. To uphold the spirit of social responsibility and accountability in line with laws, legislations, regulations and guidelines governing a company.

3. DEFINITION

In the context of this Code, a company director means any person who holds the position of a director in a company irrespective of the designation used, including anyone who follows the directives and advice of a corporate director and who usually takes action, as well as an alternate director. A director also includes both executive and non-executive directors as well as executive and non-executive chair person.

4. PRINCIPLES

- 4.1 This Code is adapted from the Code of Ethics for Company Directors issued by Companies Commission of Malaysia. It should be read together with SRB's Board Charter, Malaysian Code on Corporate Governance 2017 and Bursa Malaysia Securities Berhad's Corporate Governance Guide in order to provide a comprehensive overview of what is expected from SRB Board.
- 4.2 The principle of this Code is based on principles in relation to transparency, sincerity, integrity, accountability and corporate social responsibility.

- 4.3 In the performance of his/her duties, a director should at all times observe the following:-
- a. Comply with applicable laws, rules and regulations including without limitation the applicable provisions of the Companies Act 2016. .
 - b. Must act in the good faith and best interest of SRB.
 - c. Must act with honesty and integrity at all times and must not act in a manner which is adverse or detrimental to the interests and objectives of SRB or diminishes the reputation of SRB.
 - d. Must act fairly and impartially in all matters.
 - e. Must exercise due care, diligence and skill in the conduct of their duties.
 - f. Must avoid any circumstance which is, or could become in conflict with the interest of SRB, including any related party transaction, and must disclose such circumstances to the Board and obtain requisite approval from the Board.
 - g. Should have a clear understanding of the aims and purpose, capabilities and capacity of the company;
 - h. Should devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
 - i. Should ensure at all times that the company is properly managed and effectively controlled;
 - j. Should stay abreast of the affairs of the company and be kept informed of the company's compliance with the relevant legislation and contractual requirements;
 - k. Should insist on being kept informed on all matters of importance to the company in order to be effective in corporate management;
 - l. Should limit his/her directorship of companies to a number in which he/she can best devote his/her time and effectiveness; each director is his/her own judge of his/her abilities and how best to manage his/her time effectively in the company in which he/she holds directorship;
 - m. Should have access to the advice and services of the company secretary, who is responsible to the board to ensure proper procedures, rules, and regulations are complied with;
 - n. Should neither divert to his/her own advantage any business opportunity that the company is pursuing, nor may he/she use confidential information obtained by reason of his/her office for his/her own advantage or that of others;
 - o. Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the company is at stake
 - p. Relationship with Shareholders, Employees, Creditors and Customers:-
 - i) Should be conscious of the interest of shareholders, employees, creditors and customers of the company;

- ii) Endeavour to deal fairly with customers, suppliers, competitors and employees and should not, at any time, take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other dishonest but not illegal practices.
 - iii) Should at all times promote professionalism and improve the competency of management and employees; and
 - iv) Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.
- q. Social Responsibilities and the Environment:-
- i) Ensure that the activities and the operations of SRB does not harm the interest and well-being of the society at large.
 - ii) Be proactive to the needs of the community and assist in society-related programmes.
 - iii) Should ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
 - iv) Should ensure that the activities and the operations of the company do not harm the interest and well-being of society at large and assist in the fight against inflation.

5. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Every director in exercising and/or discharging his/her powers or duties shall comply with all applicable laws, rules and regulations including the constitutions of SRB and guidance and directives issued by the authorities. Directors have a responsibility to be familiar with any legislation or regulations that apply to their directorships and to recognize potential liabilities.

6. CONFLICT OF INTEREST

- 6.1 Directors should avoid conflicts of interest with SRB Group and disclose immediately all contractual interest, whether direct or indirect, with SRB Group.

- 6.2 Directors are required to declare at all times the nature and extent of any conflict of interests, whether direct or indirect, or whether actual or potential, with the Company or its subsidiaries, and if so required by the relevant Board/ Board Committees, to abstain themselves from any deliberation and decision relating thereto.
- 6.3 Where a potential or actual conflict arises every Director shall adhere to the procedures provided by the relevant laws.

7. ANTI-CORRUPTION/ BRIBES

- 7.1 To observe high standards of business, professional and ethical conduct, the Directors (whether acting in their own capacity or on the Group's behalf) are committed to refrain themselves from offering, giving or receiving any gifts and any other form of benefits (in kind, cash, advantages and/or favour and etc) from persons or entities who deal with SRB where the gift would reasonably be expected to influence the performance of the Director's duties in any aspect.

8. COMPANY ASSETS

- 8.1 Every Director has a duty to safeguard the Company's assets, including its physical premises, equipment and facilities as well as the records and information/ data (both physical and electronic means)
- 8.2 Company's Assets shall only be used in a safe, ethical and lawful manner and shall not be used for pursuing improper personal gain or opportunity.

9. CONFIDENTIALITY

- 9.1 Directors may come into possession or access to confidential, sensitive and non-public information ("**Inside Information**") in the course of their directorship with SRB. Directors must treat all such information in strictest of confidence, not disclose such information to any unauthorised persons and take all necessary precautions to maintain such confidentiality and not use it, directly or indirectly, for any purpose other than what it has been intended, except when disclosure is authorised or legally required.

9.2 The obligation to preserve SRB's Inside Information is ongoing even after an individual ceases to be a Director of Bursa Group.

10. **INSIDER TRADING**

10.1 Directors who possess inside information shall not:-

- a) Deal in securities; or
- b) Communicate such information to any unauthorised persons, for the benefit of himself or any other persons.

10.2 When dealing in the securities, a Director shall comply with the relevant laws on trading in securities.

11. **FAIR DEALING AND ANTI-COMPETITION**

In the interests of preserving reputation and integrity of SRB, a director shall act impartially, honestly and responsibly in dealing with all employees, stakeholders, regulators and public where he/she shall not:-

- a) Compete or aid/assist other competitors to compete with SRB; and
- b) Take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any unfair dealing practice.

12. **REPORTING VIOLATIONS OF THE CODE**

Directors must immediately report any concern about possible/ actual breaches of the Code by any director to the Chairman (or the Senior Independent Director, where applicable) and strictly observe the relevant internal document i.e the ***Whistleblower Policy***.

13. ENFORCEMENT OF THE CODE

In the event of any violation of this Code by any Director, the Board shall determine appropriate actions to be taken after considering all relevant information and circumstances.

14. REVIEW

This Code shall be reviewed by the Board of SRB periodically and when internal or external events warrant a more frequent review to be undertaken and make such amendments to this Code as the Board may deem to appropriate.

15. DISLCOSURE OF THIS CODE

This Code will be published on SRB's website for public information.