



**(Registration No. 200801008472 (809759-X))  
(Incorporated in Malaysia)**

## **CODE OF CONDUCT AND ETHICS FOR DIRECTORS**

### **1. Introduction**

This Code of Conduct and Ethics for Directors (“Code”) applies to and provides guidance on the standards of conduct and ethical behavior expected of all Directors of Datasonic Group Berhad (“the Company”) and its subsidiaries (“the Group”) in the performance and exercise of their duties and responsibilities as Directors of the Group or when representing the Group.

This Code should be read in conjunction with the existing framework of all relevant laws and regulations as well as policies of the Group including any relevant best practices or standards in corporate governance and provisions of the constitutions of companies within the Group.

### **2. Objectives**

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

- (a) To establish standards of ethical behaviour for Directors based on standard of honesty, ethical and values that can be accepted, are held or upheld by any one person;
- (b) To enhance skills in the implementation of duties and adaptability to the work environment;
- (c) To inculcate noble values in performing duties so as to improve work quality and productivity;
- (d) To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company; and
- (e) To enhance public confidence and trust in the integrity, objectivity and impartiality of the Group.

### **3. Definition**

In the context of this Code, a Director has the meaning assigned to it in the Companies Act, 2016 and includes:-

- (a) The chief executive, the chief financial officer and any other person primarily responsible for the operations or financial management of a corporation, by whatever name called; and
- (b) In the case of a corporation formed or incorporated or existing outside Malaysia:-
  - (i) a member of the corporation's Board of Directors or governing body; or
  - (ii) a person occupying or acting in the position of a member of the corporation's board, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in, the position.

### **4. Conduct of Directors**

- (a) A Director must exercise his powers for a proper purpose and in good faith in the best interest of the company in which he sits as a board member.
- (b) A Director who is appointed by virtue of his position as a representative of a shareholder, must act in the best interest of the company in which he sits as a board member. In the event of any conflict between his duty to act in the best interest of the corporation and his duty to his nominator, he must not subordinate his duty to act in the best interest of the company to his nominator.
- (c) In directing or managing the business and affairs of the company, a Director must exercise reasonable care, skill and diligence by—
  - (i) applying the knowledge, skill and experience which may reasonably be expected of a Director having the same responsibilities; and
  - (ii) applying any additional knowledge, skill and experience which the Director has.
- (d) Director is required to among others—
  - (i) maintain a sound understanding of the business, and keep abreast of relevant developments to ensure he is able to discharge his duties and responsibilities effectively;
  - (ii) prepare for board meetings, contribute constructively to board discussions and decision-making, and conduct due inquiry before approving a matter;

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- (iii) ensure key transactions or critical decisions are deliberated and decided on by the board in a meeting; and
- (iv) ensure his decisions and the basis for those decisions, including any dissenting views are made known and properly minuted.

**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 provisions of the constitutions of the companies within the Group and guidance and directives issued by the authorities.

**6. Conflict of interest**

- (a) Director of a company must not accept a benefit from or provide a benefit to a third party by reason only of—

- (i) him or her being a director; or
  - (ii) him doing something or refraining from doing anything as a Director;

unless he or she is permitted to do so by the company's constitution or the company's code of conduct and it is not contrary to any written law.

- (b) Director should avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company or which divides his or her loyalty to the Group. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the Group and affiliated companies. Directors must not use their position or knowledge gained directly/indirectly in the course of their duties for private or personal advantage.
  - (c) 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 where so required, to abstain from any deliberation and decision relating thereto.
  - (d) Where a potential or actual conflict arises, every Director shall adhere to the procedures provided by the relevant laws, including but not limited to the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## **7. Maintaining Proper Records And Accounts**

- (a) The Directors must cause to be kept the accounting records and other records to:-
  - (i) sufficiently explain the business, transactions and financial position of the Company and its subsidiaries;
  - (ii) enable the preparation of true and fair financial statements;
  - (iii) enable the accounting and other records of the Company and its subsidiaries to be conveniently and properly audited; and
  - (iv) retains all records referred to above for not less than seven (7) years from the completion of the transactions or operations to which the entries or records relate.
- (b) The Directors of the Company's subsidiaries and its must cause to be kept the accounting and other records to:-
  - (i) sufficiently explain its business, transactions and financial position;
  - (ii) enable the preparation of true and fair financial statements; and
  - (iii) enable the accounting and other records to be conveniently and properly audited;
  - (iv) retains all records referred to above for not less than seven (7) years from the completion of the transactions or operations to which the entries or records relate;
  - (v) provide the Company with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards.

## **8. Group Governance**

- (a) The Directors must establish and ensure the Group wide framework on corporate governance include a code of conduct and ethics, policies and procedures on anti-corruption-anti-bribery, whistleblowing, managing conflict of interest, managing material sustainability risks, and board diversity including gender diversity.
- (b) The Directors of the Company's subsidiaries must provide the Company with any information requested by the Company to enable the Board of the Company to oversee the financial and non-financial performance of its subsidiaries, including the adoption of good corporate governance practices.

**9. Anti-Bribery and Anti-Corruption**

- (a) The Group's Anti-Bribery and Anti-Corruption Policy sets out the Group's policies to prevent acts of bribery and corruption. The Group has adopted a zero tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts.
- (b) When dealing with gifts, donations, sponsorship, and any other form of benefits, a Director shall uphold the highest integrity and ensure compliance with the relevant laws in respect of Anti-Corruption and Anti-Bribery.

**10. Protection of Company's Assets**

- (a) Directors shall take reasonable care to safeguard the Group's assets, including its physical premises, equipment and facilities as well as the records and information/data (both physical and electronic means).
- (b) The Group'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.

**11. Confidentiality**

- (a) Directors may come into possession or access to confidential, sensitive and non-public information ("Insider Information") in the course of their directorship with the Company. 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.
- (b) The obligation to preserve the Company's Insider Information is on-going even after an individual ceases to be a Director of the Company, until the information becomes publicly available or the Company no longer considers it as confidential.
- (c) Directors should exercise due care in handling information, mindful of their duty to act in the best interest of the company in which he sits as a board member.

**12. Insider Trading**

- (a) Directors who possess Insider Information shall not:-
  - (i) deal in securities; or

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- (ii) communicate such information to any unauthorised persons, for the benefit of themselves or any other persons.
- (b) When dealing in the securities, a Director shall comply with the relevant laws on trading in securities and observe such guidelines as may be prescribed by the Company in relation thereto from time to time.

**13. Anti-Money Laundering**

- (a) Directors do not tolerate any form of money laundering activities. Appropriate measures shall be implemented to know who the Company is doing business with to prevent the Company's financial transactions from being used by others to launder money.
- (b) Directors shall be made aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.
- (c) Directors are expected to be mindful of the risk of the Company's business being used for money laundering activities and to promptly raise any suspicious transactions to the Company.

**14. Waiver**

Any waiver of the application of principles/standards set forth in this Code may only be made by the Board, as it deems fit and appropriate.

**15. Non-Compliance**

Directors must immediately report any concern about possible/actual breaches of the Code by any Director to the Chairman. 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 or may take necessary action to ratify on the non-compliance by Directors.

**16. Review of the Code**

This code shall be reviewed by the Board and amendments to be made from time to time to be in line with the changes in law, governance code couple with the change in the Group's vision, values and business plan.

The Board of Directors has adopted this Code on 27 May 2021.