

PCCS GROUP BERHAD
Company No. 280929-K
(Incorporated in Malaysia)

CODE OF CONDUCT AND ETHICS

1. INTRODUCTION

PCCS Group Berhad (“the Company”) has adopted the Code of Conduct and Ethics (“the Code”) for Directors, management and employees of the Company and its subsidiaries (“the Group”). All Directors, management and employees of the Group shall be referred to as “officers” and the Group and the Company shall be referred to as “we” hereon.

2. OBJECTIVE

In the process of employing the latest and most sophisticated technology to sustain and improve competitiveness in the midst of globalisation, we recognise **people** as an invaluable asset to propel and achieve the Company’s vision.

We strongly believe a comprehensive and people-centered social standard and human right policy is essential and timely to address the importance of maintaining a favorable and harmonious employee relations and industrial relations.

As we are evolving to become a highly responsible and competent supplier, we share the same holistic view and vision to portray our produce as user-friendly, environmental-friendly and most importantly the incorporation of humanitarianism.

3. THE CODE

Every officer is responsible to ensure compliance with the Code internationally:

3.1 HUMAN RIGHTS

(A) CHILD LABOURS

No child labour or underage is allowed.

(B) FORCED LABOUR

We do not compromise in employing forced labour, prison labour, indenture labour, bonded labour or any involuntarily labour.

(C) DISCRIMINATION

We practice no discrimination on promotion, hiring practice, disciplinary action, termination, human resources development regardless of race, gender, nationality, religion, age, disability or political opinion. Monetary rewards (wages, benefits, increment) are based on job performance and scope of responsibilities.

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(D) WAGES

The minimum wage rate is above living wage of local standard. The wages paid once a month. The workers are given wages statement. Wages with holding is not allowed unless required by the written law. The workers are kept informed of wages deduction (if any) and in accordance to legislation.

(E) WORKING HOURS

We adopt the practice of normal eight (8) hours work day, a six-day-week basic. Total hours of work shall not exceed sixty (60) hours (including overtime) on regular basic. Rest time is given after not more than five (5) hours work. Sunday is a rest day. Overtime is being paid accordingly as mandated by laws.

(F) FREEDOM OF ASSOCIATION

We recognise and respect the workers right to freedom of association and the right to join unions or associations related to textile industry. Workers are free to express their views through suggestion box or inter-personal communications with the management or representative of the company or Human Resource & Administration Department at any time.

(G) HARASSMENT OR ABUSE

We treat every employee with respect and dignity. Workers are free from physical, sexual, psychological or verbal harassment or abuse. We believe in counseling and education of workers. Disciplinary action to be taken after due inquiry and is in accordance of local laws. Monetary penalty is not our practice.

(H) SEXUAL HARASSMENT

We strongly condemn any form of sexual harassment be it verbally, body contact, materials of sexual nature (drawn or written).

(I) WELFARE

All employees regardless of gender, position ranking, scope of work or nationality are insured against industrial and personal accident according to local legislative requirement.

(J) HIRING OF EMPLOYEE

All terms and conditions of employment are conveyed to potential candidate before signing of employment contract. The employee would be given a duplicate for reference.

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3.2 WORKPLACE HEALTH AND SAFETY

We would do everything possible to ensure the safety of the officers and shall maintain and improve the workplace environment so that everyone can work in a safe and healthy surroundings.

The Group understands and strives to comply with all applicable laws and regulations related to safety and sanitation such as Occupational Safety and Health Act, 1994.

The Group shall strive to create a secure and conducive work environment that allows employees to balance their personal lives and work.

3.3 PROTECTION OF PRIVACY

Every officer is expected to respect each other's privacy.

Every officer is expected not to disclose personal information obtained in the workplace or business operations to others without the consent of the individual, unless required by law.

3.4 ENSURE ETHICS IN BUSINESS RELATIONSHIPS

(A) CONFLICT OF INTEREST

We endeavour to avoid a conflict, or an appearance of a conflict, between personal interests and the Group's interests.

We shall manage and mitigate all conflicts or perceived conflicts of interest and where it is not possible to avoid a conflict of interest, appropriate disclosures shall be made accordingly.

(B) ANTI-CORRUPTION

Corrupt arrangements with customers, suppliers, government officials, or other third parties are strictly prohibited. "Corruption" generally refers to obtaining, or attempting to obtain, a personal benefit or business advantage through improper or illegal means.

Corrupt activities are not only a violation of the Code; they could potentially be a serious violation of criminal and civil anti-bribery and anti-corruption laws with statutory penalties. Should the Company becomes aware of any potential or actual corrupt arrangement or agreement, the Company have to the statutory obligations to report to the relevant authority(ies).

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(C) INSIDER TRADING

In the course of performing his/her job, the officers of the Company may learn of certain confidential information that qualifies as "material non-public and price sensitive information" about the Group, its customers, suppliers or business partners or another third party.

"Material non-public and price sensitive information" means any non-public and price sensitive information that could potentially influence the investment decisions of investors. It includes, but is not limited to, the following:

- Financial information such as sales and profits;
- Information concerning dividends;
- Information concerning alliances with other companies, including mergers and acquisitions;
- Information concerning changes in major suppliers; and
- Information concerning new products or new technologies.

The officers shall not disclose material non-public and price sensitive information to anyone outside of the Group, including family members and friends.

The officers shall not deal in securities of the Company nor influence any third party in dealing with the securities while he/she have material non-public and price sensitive information about the Company.

In addition, the officers are not permitted to engage in activities that are designed to hedge or offset any decrease in the market value of the Company's securities.

(D) 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.

We shall to the best of its ability and knowledge conduct business with reputable customers with legitimate funds, for legitimate business purposes.

4. COMMUNICATION AND COMPLIANCE

The Group and the Board should ensure the Code is being communicated to the officers through staff handbook, notice board, intranet, or corporate website. The Group should include the briefing of the Code to new officers in the induction programme.

The Board should ensure the Code permeates throughout the Group and is comply by the officers.

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5. VIOLATIONS OF THE CODE

The officers should report to supervisors, managers, Head of Departments or Head of Human Resource about the known or suspected illegal or unethical behaviour. The Company's Executive Director and Senior Management shall promptly report any known or suspected violations of the Code to the Board. All officers shall refer to and adhere to the Whistle Blowing Policy.

HISTORY

Date	Description
31.07.2013	Establishment
28.11.2018	Revision