



UMW HOLDINGS BERHAD
(Company No. 90278-P)

THE UMW CODE OF BUSINESS CONDUCT AND ETHICS

Our employees are guided by this Code of Business Conduct and Ethics (the Code) in conducting our business. Our success in meeting our mission depends largely on our people. The Code is driven by our values and the highest standards of business ethics. The UMW name and reputation are ultimately defined by our daily decisions and actions.

All employees comply with the Code of Business Conduct and Ethics.



UMW

UMW HOLDINGS BERHAD

(Company No. 90278-P)

THE UMW CODE OF BUSINESS CONDUCT AND ETHICS

1. Laws and regulations

Respect for the Law

Our global operations shall respect and observe the laws of the country in which the business operates. Such compliance shall include rules and regulations which are currently in force. UMW prides itself as a responsible conglomerate that always operates within legal framework and a responsible corporate citizen.

2. The UMW Brand and Our Brand Values

The UMW brand

All employees should endeavour to uphold the UMW brand, which in essence, is our identity and image. The UMW brand should be reflected in the way employees conduct themselves at work and permeates at every point of interaction employees have with each other and the public.

All employees shall be guided by the brand identity standards (also known as the Corporate Identity guidelines) that bring the UMW brands to life through behavior, visual expression and tone and manner. Please refer to Corporate Communications Department for details and guidance.

In managing our businesses, all employees shall be driven by our values.

Honour Our solid promise to constantly display integrity and trust

Vibrant Our enthusiasm, fresh attitude and new ideas

Unshakeable Our unwavering commitment to push forward even when times get tough

Pioneering Our innovative thinking that sets the standard

3. UMW Above Self

As stakeholders, all employees shall believe in our vision and mission and shall always place the business interests of UMW as their number one priority. In adopting this stance, all employees shall be focused in what we do and what needs to be done in order to achieve our business objectives whilst observing the highest standards of professionalism and business ethics.

4. Care for Society

All employees shall support the belief that UMW is a good corporate citizen which practices corporate social responsibility which benefits the society. All employees must understand that our Corporate Social Responsibility revolves around four main dimensions:-

4.1 The Marketplace

UMW will find ways and means to continuously improve our quality, giving the highest standards of service to our customers. We will constantly update our products, services and facilities with state – of – the – art systems and infrastructure.

4.2 The Workplace

UMW is fully committed to the development and training of all our employees to make them the best employees and members of society.

4.3 The Environment

UMW has taken important steps to build a sustainable environment policy which reflects the main areas of our business and the products we supply to the marketplace.

4.4 The Community

Our involvement with our community groups aims to respond to their needs on a case – by – case basis. We have developed a number of different ways to assist and support the communities in which we work and live.

5. The Conduct of Our Employees

Work rules and regulations shall be administrated in a fair and consistent manner. All employees shall observe and comply with all policies, procedures and guidelines and expected working norms which have evolved from time to time. In performing our duties, our employees shall act within the boundaries of their job responsibilities. In cases of doubt, such matters must be referred to the management and escalated to the higher level. The employees shall protect UMW's interest at all times and shall maintain the image of the Company. In matters involving monetary and financial dealings, all employees shall adhere to the approved Financial Limits of Authority Guidelines (FLAG) and other related and supplemental procedures and guidelines issued.

5.1 False or Misleading Declaration

Before the commencement of employment, an employee shall make a declaration that all information given by him/her is true. The Company accepts the declaration in good faith. Should, in any event, it is found that part or parts of the declaration is/are false and has an impact on the employee's continued employment, the Company has the right to review his/her employment status. In such cases, action will be taken on employees who make the false or misleading declaration.

5.2 Proprietary and Confidential Information

The Company values and protects all its proprietary and confidential information.

In the performance of duties, employees may obtain information not generally available or known to the public or the market. Such information must not be communicated or disclosed in any manner to competitors, customers, persons engaged in any aspect of the securities industry, members of trade associations or other third parties unless such communication or disclosure is authorized by the Company.

5.2.1 Any unlawful or unauthorized disclosure of proprietary or confidential information may result in irreparable loss and/or damage to the Company. In such cases, the Company may institute civil and criminal proceedings against the offending party.

5.2.2 Proprietary or confidential information is to be disclosed to other Employees on a need to know basis. All employees have the obligation to continue to preserve the proprietary and confidential information even after the appointment/employment has ceased, unless disclosure is required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority.

5.3 Financial Integrity

The Company is committed to ensure the integrity of financial information for the benefit of all stakeholders. All employees must ensure that all business records and documents are prepared accurately and in a timely manner.

Falsification of financial or any other records or misrepresentation of information may constitute fraud and can result in civil and criminal liabilities for Directors, Employees and the Group. Employees are obliged to report false entries or omissions and to highlight questionable or improper accounting being practised in the Company.

5.4 Acts of Misconduct

All employees will always observe proper conduct. An act of misconduct is defined as an action, behavior, or conduct of an employee which is inconsistent, improper, intentionally wrongful and deliberately in violation with the established rules and standards of behavior. Acts of misconduct shall be dealt with appropriately.

Punishments of misconduct will include, but are not limited to, warning letters, withholding of annual salary increments, suspension of employment (with or without pay), reduction or non-payment of bonus, downgrading of employee grade and termination of employment.

5.5 Political Activities

The Company is politically neutral and believes strongly in the democratic process. Any unauthorized political activity by any employee may result in legal implications, liability and/or reputational risk for the Company. As such, the following policies have been adopted:

- 5.5.1 An employee engaging in political activities will do so in the said employee's personal capacity as an individual and private citizen and not as a representative of the Company, and this should be made a matter of public record.
- 5.5.2 An employee shall ensure that his/her activities do not interfere with the efficient and due discharge of his/her duties to the Company. The employee shall also ensure that the Company is not perceived as supporting the said employee's activities. If such activities encroach into the actual work and working hours that should be devoted to the Company, prior written approval from the Company must be obtained.
- 5.5.3 Any contribution of funds by the employee towards supporting political issues, candidates and/or activities shall be made in the said employee's individual capacity and will not be reimbursed by the Company.

5.5.4 All political contributions and activities by employees must comply with applicable laws.

5.5.5 An employee shall not make any public statements on behalf of the Company on any matter involving politics and political activities. Employees who represent the Company in political and governmental matters must comply with all laws and Company policies regulating corporate participation in public affairs.

If an employee has any question with regard to request for any political contribution or to provide assistance on behalf of the Company (whether in personal or corporate capacity), the employee should contact the Company's Group General Counsel.

5.6 Public Statement

The Company's appointed spokesperson is the President & Group CEO or any other delegated spokesperson/s. Other than the Company's appointed spokesperson/s, employees shall not issue any statement to the public at large.

5.7 Dress Code

All employees shall be appropriately dressed in a manner which depicts our professionalism in conducting business affairs. Employees are guided by the dress code of their respective locations.

5.8 Financial Standing

All employees should maintain a standard of living which commensurate with their income. All employees shall not indulge in activities which will compromise their financial status. This could inevitably lead to living lifestyles which cannot be sustained over a period of time and may lead to pecuniary embarrassment including being heavily in debt or even leading to bankruptcy.

All employees may not use their positions of influence to force customers, suppliers, vendors or contractors to lend money to them or to provide financial assistance which may then affect the employee's independence of judgment in business transactions with the lender/provider.

5.9 Proper Conduct

All employees shall always conduct themselves professionally in business relations with customers, vendors, suppliers, contractors and stakeholders. Proper conduct is necessary to maintain the image and name of UMW.

All employees shall refrain from any act of immorality as this will contradict with our values and our professionalism.

5.10 Fraud and Similar Irregularities

The Company strictly prohibits fraud and will take stern action on employees found to have committed acts of fraud. Stern action may include dismissal.

Fraud will include but are not limited to:

- Bribery and corruption
- acts of dishonesty;
- fraudulent acts;
- forgery of company documents and negotiable instruments;
- misappropriation of funds;
- misuse of Company assets

5.11 Graft and Invitation to Graft

An employee shall not in any manner or form offer on behalf of the Company or receive an offer of graft or a bribe for his/her own benefit, or the benefit of his/her relatives or spouse.

5.12 Corruption & Unethical Practice

The Company will not tolerate bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all business dealings and relationships wherever the Company operates. All deeds defined as “corrupt act” under the relevant laws of each jurisdiction where the Company operates will be adopted by the Company in defining the “corrupt act”.

5.13 Drugs and Alcohol

Dependency on drugs and illegal substances is an act of crime. Appropriate action shall be taken on employees, agents, vendors and contractors who are found to be drug and/or alcohol dependent – possibly leading to termination of services (for employees) and termination of contracts/agreements for non-employees.

5.14 Intellectual Property

5.14.1 All intellectual property (IP) developed by employees during their tenure of service shall be deemed to be IP belonging to the company. Such IP shall remain with the Company at all times.

5.14.2 Third party intellectual property refers to proprietary business or technical information of value protected by patent, trademark, copyright, or trade secret laws. Employees must observe and respect such property and shall not expose the Company to prosecution for Intellectual Property violations.

5.15 Conflict of Interest

- i. The policy of the Company requires that its employees avoid any conflict between their own interest and the interest of the Company.
- ii. A conflict of interest will arise where an employee's ability to perform his or her Company duties may be adversely affected by an outside appointment, relationship or activity.
- iii. The Company's Code insists that an employee shall act in the best interests of the Company whilst carrying out his/her responsibilities and naturally the Company expects nothing less than total commitment from the employee. However, it is not the intention of the Company to completely bar employees from participating in any outside activity. The Company will endeavor to ensure minimum limitation of freedom of action of its employees as long as it does not interfere with the employee's role in the company.
- iv. The Company discourages the employment of family members and relatives of existing employees. These are defined as the employee's spouses, parents, parents-in-law, brothers, brothers-in-law, sisters and sisters-in-law.
- v. In order to avoid any possible conflict of interest, the Company prohibits the employment of two (2) or more persons who are related to each other in positions with direct reporting relationship.
- vi. Employees should not take improper advantage of their position as employees of the Company or of any information obtained in the course of their employment. Employees will also appreciate and acknowledge that, by being unduly involved in some outside activity, their contribution to the Company's efforts will diminish.

- vii. Employees are required to act at all times in a manner consistent with their being full-time employees of the Company. They should avoid situations which give rise to conflicts of interest. On occasions, however, the question of whether or not a conflict of interest exists may be unclear and consequently open to interpretation. On any such occasion, the employee concerned should consult his manager and/or Group Human Capital Division.
- viii. Employees shall refer to Section 7 of the UMW Procurement Guidelines for details on Procurement Ethics.
- ix. Whilst it is not practical to enumerate all situations which may give rise to a violation of the Company's policy of conflict of interest, the following should be avoided.

5.15.1 Other Business Appointments/Employment

All UMW employees are required to focus on their main responsibilities and should not offer themselves or accept positions or responsibilities at other companies or business organizations.

Employees who are offered such other business appointments or other responsibilities must make a written declaration to the PGCEO and obtain expressed written approval from the PGCEO or his delegated authorities.

5.15.2 External Non-Executive Directorships

An employee or a dependent member of his/her family may not accept external non-executive directorships or become silent partners in entities or organizations which are known to be UMW's authorized contractors/vendors or which have or are seeking to have contractual arrangements with the Company.

5.15.3 Ownership of Equity in Entities Having a Business Relationship with UMW

An employee or a dependent member of his/her family may own shares or other forms of beneficial interest in privately – owned entities which:

- i. Derive income from contractual or other business arrangements with UMW;
- ii. Are listed in the Company's list of authorized contractors even if the entities concerned derive their income from contractual or other business arrangements with UMW;
- iii. Supply materials, equipment, property and/or services to UMW;

5.15.4 Family Interest

Employees whose family members* have interests (whether in the form of directorships, partnerships, shareholdings, or through agencies) in entities which are UMW's list of authorized contractors/vendors or which have contractual or supply arrangements with UMW, and who are involved in any decisions regarding dealings (whether directly or indirectly) with such entities in the course of their duties from UMW, should inform the President & Group CEO, in writing, of such interests and obtain expressed written approval from the PGCEO or his delegated authorities prior to entering into any such decisions or dealings.

** family members include spouses, children, mother, father, brothers- in- law, sisters-in-law and sibling, parents-in-law, brothers- in- law and sisters-in-law.*

5.15.5 Contractual Dealings

An employee or a dependent member of his family may purchase, sell or lease any kind of property, equipment or materials from or to the company or enter into contractual arrangements. In such cases, the employee must make a written declaration to the PGCEO and obtain expressed written approval from the PGCEO or his delegated authorities.

5.16 Anti-Competitive Practices

- 5.16.1 Employees shall not engage themselves into anti-competitive practices, which may constitute offences under the Competition Act 2010.
- 5.16.2 Employees are prohibited to disclose, share, or enter into any form of agreement with any competitor's company, on any form of Company's information, whether it is requested formally or informally.
- 5.16.3 Employees shall not issue any commitment without authorization by the Company in any trade discussions.
- 5.16.4 Employees are prohibited at all times from discussing the Company's proposal should they be involved in tender exercises.
- 5.16.5 Employees shall be guided by the UMW Group's Competition Compliance Manual, which are available and can be obtained from UMW Group Legal.

5.17 Use of Information Technology (IT)

- 5.17.1 All employees who are given access to or have access to Company IT facilities must read, understand and observe the IT Policy of the Company.

- 5.17.2 All employees may refer to their respective companies to have access to the IT policies of their respective companies.
- 5.17.2.1 For Non-Motor Companies, a comprehensive and current version of the IT Policy may be obtained by the following options:
- a) ESS (HR Avenue), Policy Section – <http://hravenue.umw.com.my/hravenue/stafflogin.jsp> (Downloadable Softcopy)
 - b) U-NET Corporate Intranet, Policy Section – <http://unet.umw.com.my/index.php> (Downloadable Softcopy)
 - c) Request via e-mail from Group IT Division: uethelpdesk@umw.com.my
- 5.17.3 Company provided IT facilities are to be used for company approved business only. Employees should refrain from using company IT facilities for their personal benefit such as the sending or forwarding of personal greeting cards, pictures, political messages or viewing pornographic content or engaging in personal social media networking.
- 5.17.4 Employees of Non-Motor Companies are to consult Group IT Division (GITD) before procuring IT products and/or services. Employees of Motor Group Companies are to consult IT Services Division (ITSD) at UMW Toyota Motor. GITD and ITSD endorsement is required for respective procurement.

5.17.5 All employees are required to comply with the Copyright Act/Cyber Laws Act/Personal Data Protection Act concerning the use and application of computer software at all times.

5.18 Occupational Health, Safety and Environment

The Company manages its business operations in the best manner possible to prevent ill health, injury and pollution. The Company has a Health, Safety and Environment Policy which necessitates all employees to embrace with full commitment – please refer to policy in this booklet.

5.19 Working Environment

5.19.1 It is the Company's policy to provide a healthy working environment that fosters mutual respect among employees and a harassment-free working relationship.

5.19.2 The Company strictly prohibits any form of harassment, which includes but are not limited to unwelcome verbal or physical sexual advances, sexually, racially or otherwise derogatory or discriminatory materials, statements or remarks during the performance of official duties where the inappropriate conduct has the purpose or effect of:

- creating an intimidating, hostile or offensive working environment;
- unreasonably interfering with an employee's work performance; or
- affecting an employee's employment opportunity.

Any employee who believes that he/she has been subjected to harassment and any employee who observes or becomes aware of any harassment should immediately report the incident to his/her immediate superior or to the Group Human Capital Division. All such reports will be treated as confidential.

5.20 Sexual Harassment

5.20.1 In accordance with the Code of Practice “On the Prevention and Eradication of Sexual Harassment in the Workplace” issued by the Ministry of Human Resource, sexual harassment means:

Any unwanted conduct of a sexual nature, which is unwanted, unwelcome, unsolicited and imposed on, having the effect of verbal, non-verbal, visual, psychological or physical harassment:

- i that might, on reasonable grounds, be perceived by the recipient as placing a condition of a sexual nature on his/her employment;
- ii that might, on reasonable grounds, be perceived by the recipient as an offence or humiliation, or a threat to his/her well-being, but has no direct link to his/her employment.

5.20.2 Based on the above definition, sexual harassment can be categorized as:

- i Sexual coercion that results in some direct consequence to the victim's employment. Failure to accede to the coercion may result in withholding of pay increase, bonus, promotion and other benefits.

- ii Sexual annoyance is sexually-related conduct that is offensive, hostile or intimidating to the recipient, but has no direct link to any job benefit. A sexual harassment by an employee against a co-employee falls into this category.

5.20.3 Within this context, sexual harassment in the workplace includes any employment-related sexual harassment occurring outside the workplace and outside official working hours as a result of employment responsibilities or employment relationships.

5.21 Violation

- i Non-compliance with the Code is a misconduct, which will result in an investigation/inquiry to establish the facts and if substantiated may lead to disciplinary action being taken.
- ii In the case of suspected corruption or other forms of criminal activity or breach of law or regulations, the Company has the right to report the case/breach to the appropriate authorities.
- iii An employee who has any knowledge of any questionable or possible breach of the Code or possible illegal action affecting the Company is expected to promptly report such actions to his/her superior or to the Company immediately. Additionally, full disclosure and co-operation of the employee with the parties involved in the investigation is essential. Any concealment regardless of any reasons will be considered a violation of the Code.

General Requirement for all employees

All employees are required to read and understand the UMW Code of Business Conduct and Ethics. All employees are required to submit individual "Disclosure of Conflict of Interest" on an annual basis. New employees are required to declare upon joining the Group and, subsequently, on an annual basis.

END OF DOCUMENT