

CODE OF ETHICS AND STANDARD OF CONDUCT

1. INTRODUCTION

The Code of Ethics and Conduct (the “Code”) applies to all members of the Board of Directors of Perusahaan Sadur Timah Malaysia (Perstima) Berhad (“Perstima” or the “Company”) serving from time to time. The principles outlined in this policy are intended to;

- a) Codify a standard of conduct by which all Directors are expected to abide;
- b) Focus Board members on areas of ethical risk;
- c) Provide guidance in recognizing and dealing with ethical issues;
- d) Provide mechanism to report unethical conduct;
- e) Foster a culture of honesty and accountability;
- f) Deter wrongdoing;
- g) Promote fair and accurate disclosure and financial reporting;
- h) Protect the business interest; and
- i) Foster compliance with applicable legal and regulatory obligations.

Compliance with this Code will assist the Board to enhance relationships and foster teamwork among the Board members and also with staff; to build respect, confidence, and credibility and maintain Perstima’s reputation for integrity as a whole.

2. COMMITMENT

2.1. The commitment to excellence is fundamental to the philosophy of the Company. This commitment to excellence means that every director of the Group shares a common set of objectives and benefits from the achievement of those objectives.

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2.2. Each director is committed to the Company's core values of Commitment, Respect for Individual, Teamwork, Integrity, and Contribution which together provide a guide for achieving our business goals in an open, honest, ethical and principled manner.

3. PRINCIPLE

This Code is based on the principles of sincerity, integrity, responsibility and corporate social responsibility.

4. PURPOSE

This Code is intended to focus on the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

This Code is designed to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following objectives;

- a) To establish a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
- b) To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for better and efficient administrating a company.

No code or policy can anticipate every situation that may arise, or replace the thoughtful behaviour of an ethical Director. Directors are encouraged to bring questions about particular circumstances that may involve one or more of the provisions of this Code to the attention of the Chairman of the Chairman of the Audit and Risk Committee, who may consult with legal counsel as appropriate.

5. DEFINITION

In the context of this Code, a Company Director means any person who holds the position of Director in the Group, irrespective of any designation used, including anyone who follows the directives and advice of a corporate Director and who usually takes action, as well as an employee or substitute Director. It includes both Executive and Non-Executive Directors as well as Executive and Non-Executive Chairpersons.

6. CODE OF ETHICS

In the performance of his duties, each Director must comply with the letter and spirit of the following codes;

- 6.1.1 To have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- 6.1.2 To 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;
- 6.1.3 To ensure at all times that the Company is properly managed and effectively controlled;
- 6.1.4 To stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- 6.1.5 To insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- 6.1.6 To limit his directorship of companies to a number in which he can best devote his time and effectiveness; each Director is his own judge of his abilities and how best to manage his time effectively in the Company in which he holds directorship;
- 6.1.7 To 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;

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- 6.1.8 To at all times exercise his powers for the purposes they were conferred, for the benefits and prosperity of the Company;
- 6.1.9 To disclose immediately all contractual interests whether directly or indirectly with the Company;
- 6.1.10 To neither divert to his own advantage any business opportunity that the Company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- 6.1.11 To at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
- 6.1.12 To be willing to exercise independent judgement and, if necessary, openly oppose if the vital interest of the Company is at stake;
- 6.1.13 Relationship with Shareholders, Employees, Creditors, Customers and other Stakeholders;
 - a) Should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
 - b) Should at all times promote professionalism and improve the competency of management and employees; and
 - c) Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.
- 6.1.14 Social Responsibilities and the Environment;
 - a) To ensure that necessary steps are taken in accordance with the law to properly wind -up or strike off the Company register if the Company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;
 - b) To adopt an objective and positive attitude and give the utmost co-operation for the common good when

dealing with government authorities or regulatory bodies;

- c) To ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- d) To be more proactive to the needs of the community and to assist in society-related programs
- e) To 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.

7. STANDARD OF CONDUCT

7.1. Conflict of Interest

The Directors should avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals and the interest of the Group. Directors must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (directly or indirectly).

In addition, a Director shall avoid any situation in which the Director has an interest in any entity or matter that may influence the Director's judgement in the discharge of responsibilities.

7.2. Confidential Information

It is pertinent that all Directors exercise caution and due care to safeguard and information of a confidential and sensitive nature relating to the Group which is acquired in the course of their employment, and are strictly prohibited to disclose to any unauthorized public statement, circulate, divulge or communicate with any customer, member of the public, media or government or statutory bodies, unless the disclosure is duly authorized or legally mandated. This applies to disclosures by any medium, including the internet, especially via social media sites (e.g. Facebook, Twitter, YouTube), internet message boards and/ or blogs.

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In the event that a Director knows of material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director involved until it is publicly released.

Personal records and remuneration including the officer's own remuneration are classified as Private and Confidential information and shall not be divulged.

7.3. Inside Information and Securities trading

No officers who are in the possession of non-public price sensitive information of the Company or other listed company gained in the course of employment with the Company may deal or advise any other person to deal in any securities of the Company or any securities of another listed company.

No officers shall disclose non-public price sensitive information to any person (including family members) where such information may be used by such person to his or her profit by trading or in recommending or advising others to trade in any securities of company.

Officers must ensure that all transactions in the Company securities comply with the procedures set out in the Bursa Malaysia Listing Requirements and the law on trading.

In the context of Malaysian law, insider trading is an offence defined under the Capital Market and Services Act 2007. The laws of other country on insider trading may be applicable in the context of inside information concerning company listed outside of Malaysia.

7.4. Human Rights

The Company supports and respects human rights. The Company treats officers with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination. Officers should respect the personal dignity, privacy and rights of each individual you interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

7.5. Environment

The Company conducts operations in a manner that safeguards health, protects the environment and conserves valuable materials. The Company is committed to protecting the environment by minimizing and mitigating environmental impacts throughout the life cycle of operations. Officers should contribute to minimizing the use of finite resources, including energy, water and raw materials. Officers should minimize harmful emissions to environment, including waste, air emissions and discharges to water.

7.6. Protection of assets and Funds

Directors must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

7.7. Company Records and Internal Control

Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. The preparation and maintenance of accurate and adequate business records are responsibility of each Employee. No unauthorized, false, improper or misleading

records or entries shall be made in the books and records of the Group, under any circumstances.

7.8. Integrity and Professionalism

Officers should remember that they are a reflection on the Company and are constantly being judged and otherwise appraised by everyone they come in contact with. All officers should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on Company's business.

7.9. Personal Appearance

An officer who is provided with uniforms by the Company shall wear them in full at all times while he is at work.

An officer is expected to be suitably and neatly dressed so as to maintain an appropriate appearance that is business like, neat and clean, as determined by the requirements of the work area. Dress and appearance should not be offensive to customers or other officers.

Dress, grooming and personal cleanliness standards are important and contribute to the morale of all officers and affect the business image to the Company's customers and visitors.

7.10. Compliance to the Law

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the laws, rules and regulations that are applicable to their position and/or work, including the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, Malaysian Anti-Corruption Commission Act 2009, Personal Data Protection Act 2010 and Competition Act 2010. The Group reserves the right to report any actions or

activities suspected of being criminal in nature to the police or other relevant authorities.

7.11. Personal Gifting

No personal gift, favours, entertainment or services, in cash or kind, that will or will appear to influence objective and fair business decisions, will be accepted or provided.

The gift, favours, entertainment or services that are deemed as not given to influence the Directors' performance of duties include normal business courtesies (meals or entertainment), token gifts which are occasional, gifts during festive or special occasions and gifts from social functions attended by the Directors on behalf of the Group, are permissible.

7.12. Health and Safety

The Group will issue its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices to commensurate with the nature of the Group's businesses and activities. The Company takes appropriate precautions to prevent injuries or adverse working conditions for each and every officer. It is the responsibility of each and every officer to adhere to the prescribed safety rules and acts as well as to raise any concerns which may represent a potential threat to health and safety. Officers are responsible for reporting injuries and unsafe work practices or conditions as soon as they being discovered or become known.

7.13. Sexual Harassment

Sexual harassment by any Director is unacceptable. It is the Group's policy to provide all Employees with a working environment free from any form of sexual harassment. Any questions concerning issue of such should be directed either to the Employees' superior or the Human Resource Department. All such reports and/or complaints shall be treated with strictest confidence.

7.14. Outside Interest

Directors shall not engage in an outside interest that will undermine the performance of the Directors or bring disrepute to the Group.

7.15. Fair and Courteous Behaviour

All Directors are to treat their fellow Employees fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability, and shall not create any form of discrimination or prejudice in the workplace.

7.16. Misconduct

No Director is to be involved in or abet any activity that is deemed by the Group to be an act of misconduct (includes use and abuse of drugs).

7.17. Fair Dealing

All Directors, customers, suppliers and any others who are related and have dealings with the Company shall be treated fairly and equally. Any ground of discrimination is strictly not allowed. The Company with compete effectively and fairly in the market which it managed. Moreover, the Company is obliged to ensure its operating activities and its relationship with any business partner is fair, transparent and honest. This includes any form of transaction or termination of relationship. All commercial transactions shall be recorded and documented. Corrupted practices are not allowed either directly or indirectly.

7.18. Bribes and Corruption

Officers shall not offer, give, solicit or accept bribes or any other improper payment with the in order to achieve business or personal advantages for his/her or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.

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Officers shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorised remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.

Prior to giving or accepting any business amenity or other gifts (in whatever form or value), officers shall assess the appropriateness of their actions by assessing if the action could influence or could reasonably give the appearance of influencing the business relationship of the Company with that organization or individual or any business decision arising out of that business relationship.

7.19. Money Laundering

Money laundering is the process of concealing, converting and transferring proceeds from unlawful activities to a legitimate source of income or asset. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 in Malaysia.

Officers shall be 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 in order to actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Officers are expected to be mindful of the risk of the Company's business being use for money laundering activities and to raise any suspicious transactions to their immediate superior and the Board to undertake further investigation.

No disclosure should be made to others that would indicate suspicions of money laundering. Any officer reporting should not discuss the matter with any other person.

7.20. Abuse of Power

The abuse of authority/power is the improper use of a position of influence, power or authority by an individual towards others. This is particularly serious when the alleged offender misuses his or her influence, power or authority to negatively influence the career or employment conditions (including, but not limited to, appointment, assignment, contract renewal, performance evaluation or promotion) of other individuals. Abuse of authority can include a one-time incident or a series of incidents. It may also consist of conduct that creates a hostile or abusive work environment, which includes, but is not limited to, the use of intimidation, threats, blackmail or coercion. Decisions made through the proper use of managerial and supervisory responsibilities are not considered as abuse of authority.

Officers shall be aware of everyone in the Company is treated with dignity, is valued as a contributor and that abuse of power and gender discrimination are not tolerated. Officer shall report incidents of abusing of power, or has reason to believe abusing of power is occurring, to their immediate superior or adhere to the Whistle Blower Policy.

8. AFFIRMATION OF CODE

All Board members shall read this Code at least annually, understand the content of Code and will sign in writing an affirmation pledging to honor and follow the Code as stipulated.

9. VIOLATIONS OF CODE

Any Directors who knows of, or suspects, a violation of the Code, is encouraged to whistle blow or report the concerns through the

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Whistle Blowing Policy or a special appointed committee will conduct an investigations, as appropriate, and its findings and recommendations shall be tabled to the Board to decide. No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

10. NON-RETALIATION

The Company makes every effort to maintain the confidentiality of any individual who reports concerns and possible misconduct. Officers who retaliate or encourage others to do so will be subjected to disciplinary actions, up to and including termination of employment or engagement. The Company does not tolerate any form of retaliation against anyone who makes a report in good faith.

11. INVESTIGATIONS

The Company shall investigate reported concerns promptly and confidentially with the highest level of professionalism and transparency. All internal investigations and audits are conducted impartially and without predetermined conclusions. Each and every officer shall be expected to cooperate fully with audits, investigations and any corrective action plans, which may include areas for continued monitoring and assessment.

Where external investigations are required, every officer shall appropriately respond to, cooperate and shall not interfere with, any lawful government inquiry, audit or investigation.

12. WAIVER OF CODE

Waiver of the Code may be made by the Board or the appropriate Committee of the Board. Waiver of the Code may be granted on a case-by-case basis and only in extraordinary circumstances.

13. PERIODIC REVIEW

The Board will monitor compliances with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate. The Board members upon realizing any revisions made shall review and understand the changes, and subsequently sign an approval letter as affirmation to the new revisions in this Code. The Code shall be made available on the Company's website.

This Code is dated 5 July 2018.