



DXN HOLDINGS BHD.

Registration No.: 199501033918 (363120-V)

CODE OF CONDUCT & ETHICS

VERSION : 2.0

APPROVED BY : BOARD OF DIRECTORS

APPROVAL DATE : 28TH JUNE 2022

EFFECTIVE DATE : 28TH JUNE 2022

AUTHOR : GROUP HUMAN RESOURCES DEPARTMENT

Table of Contents

1. DEFINITION.....	1
2. INTRODUCTION	4
3. OBJECTIVE.....	5
4. SCOPE	5
5. WORK ENVIRONMENT AND EMPLOYMENT.....	6
6. COMPANY ASSETS AND INFORMATION	8
7. CONFLICT OF INTEREST.....	9
8. BRIBERY AND CORRUPTION	10
9. WHISTLEBLOWING	11
10. GIFTS	12
11. COMPLIANCE WITH THE LAW.....	13
12. INSIDER TRADING	14
13. MONEY LAUNDERING.....	14
14. SUSTAINABLE BUSINESS PRACTICE.....	14

1. DEFINITION

In this Code of Conduct & Ethics (“**Code**”), the following definitions and / or abbreviations will apply:

ABC Policy	Anti-Bribery & Corruption Policy
Associates	<p>An external party with whom the Group has established, or plans to establish some form of business relationship. This includes vendor, suppliers, contractors, sub-contractors, consultants, agents, outsourcing providers, representatives and other intermediaries who are performing work or services for or on behalf of the Group.</p> <p>Associate (in relation to a person) is defined in the MACC Act to mean the following: -</p> <ul style="list-style-type: none">(a) any person who is a nominee or an employee of such person;(b) any person who manages the affairs of such person;(c) any organisation of which such person, or any nominee of his, is a partner, or a person in charge or in control of, or has a controlling interest in, its business or affairs;(d) any corporation within the meaning of the Companies Act 2016 [Act 777], of which such person, or any nominee of his, is a director or is in charge or in control of its business or affairs, or in which such person, alone or together with any nominee of his, has or have a controlling interest, or shares to the total value of not less than thirty per centum of the total issued capital of the corporation; or(e) the trustee of any trust, where— (i) the trust has been created by such person; or (ii) the total value of the assets contributed by such person to the trust at any time, whether before or after the creation of the trust, amounts, at any time, to not less than twenty per centum of the total value of the assets of the trust. <p>Notwithstanding the above definitions, DXN distributors are independent distributors and the relationship between DXN and its independent distributors shall in no way fall within above definition of Associates.</p>
Assets	<p>Tangible or intangible resources controlled by the enterprise as a result of past transactions or events and from which future economic benefits are expected to flow to the enterprise. Such resources shall include buildings, sites, equipment, tools, supplies, communication facilities, funds, accounts, computer programmes, information, technology, documents, patents, trademarks, copyrights, know-how and other resources or property of the Group.</p>
Board	Board of Directors of DXN



Code of Conduct and Ethics

Bribery	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving “gratification” under the MACC Act.</p> <p>In practice, this means offering, promising, giving, accepting or soliciting of an undue advantage of any value which could be financial or non-financial, directly or indirectly in violation of applicable law, as an inducement or reward for a person acting in relation to the performance of that person’s duties.</p> <p>Gratification is defined in the MACC Act to mean the following :-</p> <ul style="list-style-type: none">(a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;(b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;(d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;(e) any forbearance to demand any money or money’s worth or valuable thing;(f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and <p>any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</p>
CEO	Chief Executive Officer of DXN where the CEO is not member of the Board.
CFO	Chief Financial Officer of DXN where the CFO is not member of the Board.
Company or DXN	DXN Holdings Bhd.



Code of Conduct and Ethics

Confidential Information	<p>Any information in any form whatsoever not generally known, and propriety to the Group including but not limited to information relating to their processes, operations, trade, products, research, development, manufacture, purchasing, business, business prospects, transactions, affairs, activities, know-how, Intellectual Property, accounting, finance, planning, operations, customers data, engineering, marketing, merchandising and selling, proprietary trade information, payroll figures, personal data of Employees, customers' list, records, agreements and information, technical and other related information, and any books, accounts and records kept by the Group for the purpose of its business;</p> <p>All information disclosed to a Director or an Employee or to which the Director or Employee obtains access during his/ her tenure which he/ she has reason or ought to have reason to believe to be confidential information, shall be presumed to be confidential and shall include (but shall not be limited to) price lists, business methods, customer history, records, information and inventions; and <input type="checkbox"/> Any such information as described in (a) and (b) above which relate to any of the Group's suppliers, agents, distributors and customers.</p>
Directors	Directors of DXN including independent and non-independent directors and executive and non-executive directors.
Ethics	Refers to standards of conduct, which indicate how to behave, based on moral duties and virtues arising from principles of right and wrong. Ethics involve two aspects namely the ability to distinguish right from wrong and the commitment to do what is right.
Employees	All individuals directly employed by DXN whether on permanent, contractual or temporary basis.
Family Members	Shall include the Director's or Employee's spouse, parent, child (including adopted child and step-child), brother, sister and the spouse of his/her child, brother or sister.
GHR	Group Human Resources of DXN Group
GIA	Group Internal Audit of DXN Group



Code of Conduct and Ethics

Gift and Hospitality	<p>Gifts includes goods (such as flowers and fruits), services, cash or cash equivalents (such as vouchers), or any other monetary or non-monetary offering.</p> <p>Hospitality is the collective term referring to any form of accommodation, drink, meal, entertainment (such as golf and movies), cultural or sporting event (such as basketball matches and golf tournaments), recreation and travel or transportation.</p>
Group or DXN Group	DXN and subsidiaries, collectively.
KSM	Key Senior Management of DXN. A person, who in the opinion of DXN, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company's core business and principal subsidiaries. Essentially, KSM is a member of the C-Suite or persons as identified as KSM.
MACC Act	Malaysian Anti-Corruption Commission Act 2009 (Act 694) and every statutory modification or re-enactment thereof for the time being in force.
RMC	Risk Management Committee of DXN
Third Parties	Any individuals or organisation that an associate may come into contact with during engagement with DXN and includes actual and potential clients, customers, suppliers, vendors, business contacts, agents, advisors, government and public bodies including their advisors, representative and officials.

2. INTRODUCTION

- 2.1 The Board of DXN is committed to ensuring that the Group conducts its business in a legal and professional manner, with the highest standard of integrity and ethics.



3. OBJECTIVE

- 3.1 This Code provides guidance on the standards of behaviour expected of all Directors, Employees and Associates of the Group.
- 3.2 The Code is not an exhaustive document and does not address every possible situation. Where relevant, this Code should be read in conjunction with the relevant policies and procedures which are currently in place. In cases of overseas subsidiaries where such policies do not exist, the relevant policies of DXN will apply.
- 3.3 In any circumstance which is not covered by this Code or in case of any doubt, employees must refer to your immediate superior, Head of Department or GHR for clarification or guidance. In the case of Directors, reference should be made to the Chairman of the Board.

4. SCOPE

- 4.1 This Code shall apply to:
 - (a) all of the Directors in the Group, except as otherwise stated;
 - (b) all of the Group's Employees; and
 - (c) all of the Associates of the Group.
- 4.2 All Directors, Employees, and Associates, including those under the Group's joint ventures are expected to read, understand and comply with the requirements set in the Code. Failure to comply with the principles and standards set out in this Code may result in the termination of the non-complying party's relationship with DXN.



5. WORK ENVIRONMENT AND EMPLOYMENT

5.1 Inappropriate Conduct

- (1) All Directors and Employees deserved to work in an environment where all are treated with dignity and respect. Verbal abuse, threats or physical acts of violence or intimidation on fellow employees are strictly prohibited.
- (2) The Group shall reserve the right to undertake disciplinary action against the concerned Directors and Employee for any acts of misconduct, indiscipline or any breach of the Group's rule and regulations in accordance to the general principles of natural justice.
- (3) Directors and Employees are responsible to report any harassment, intimidation, offensive or inappropriate behaviour to your Head of Department or GHR. All complaints or grievances will be investigated in accordance to the applicable laws and regulations.
- (4) All Directors, Employees and Associates, are required to comply with the prohibition in all types of labour abuse, bonded labour or indenture at DXN or any other associated facilities.

5.2 Safety and Health

- (1) The Group is committed to making the work environment safe for its Directors and Employees and shall comply with all applicable laws and regulations relating to safety and health in the workplace.
- (2) Safety is the responsibility of everyone at work, including the safety of our own work areas. Every Director and Employee must take reasonable care to ensure their own safety as well as the safety of their co-workers and others by complying with all applicable safety and health policies and procedures adopted by the Group.
- (3) Directors and Employees must not report to work under the influence of any unprescribed substances that may prevent work from being undertaken safely, efficiently and effectively.



Code of Conduct and Ethics

5.3 Professional Conduct

- (1) All Directors and Employees shall observe and adhere to the highest standard of professional conduct. They should, in all respects and at all times, conduct themselves with integrity, propriety and decorum and must not under any circumstances, commit any act or omission that would bring damage to the Group, its property, reputation or general interests.
- (2) Directors and Employees are expected to have respect and tolerance for cultures and religions other than those of their own whether locally or overseas and shall conduct themselves in accordance with accepted standards of behaviour.
- (3) The Group does not tolerate any form of abusive or coercive behaviour whether verbal or otherwise, physical violence or sexual harassment among its Directors and Employees.

5.4 Commitment

- (1) Directors and Employees shall, in the course of their employment with the Group and in carrying out their duties and responsibilities in respect thereof, diligently and to the best of their abilities, perform such responsibilities as may from time to time be assigned or designated to them.
- (2) All Directors and Employees are expected, at all times, to promote and advance the interests of the Group and shall not do anything to bring disrepute to the Group.
- (3) All Directors and Employees shall obey, comply with and observe rules, regulations, procedures, practices, orders, directives and policies of the Group, whether expressed or implied in law or by custom and practice.

5.5 Press Releases and Public Statements

- (1) Directors and Employees of DXN Group are not allowed to make any comments or statements on the policies or decisions of the Group whether orally or in writing or in any form whatsoever nor shall he circulate or cause to be circulated any such statement.
- (2) Only the CEO and Executive Chairman is to represent the Group in making any public pronouncements.
- (3) An Employee should inform the KSM if a member of the media approaches him/her for any information, statement or opinion concerning the Group. The KSM shall provide guidance to the Employee on the appropriate response to the media's request.



Code of Conduct and Ethics

5.6 Public Appearance as a Guest Speaker or Panel Member

- (1) Any Employee who has been invited to appear as a guest speaker in a public forum must, if he intends to make such appearance, submit the details and/or the topic(s) of his proposed speech to management for consideration. An Employee may only make such appearance if prior approval has been obtained.

6. COMPANY ASSETS AND INFORMATION

6.1 Data Protection

- (1) DXN strives to protect the confidentiality and privacy of personal data. DXN has put in place its Personal Data Protection Policy which governs the recording, management, storing and/or transferring of all data and records which is in line with the Personal Data Protection laws.

6.2 Appropriate Use of Company Assets and Resources

- (1) All Directors and Employees are responsible to protect the Group's assets and to ensure efficient use of the same. Any suspected theft, damage, misuse, fraud, embezzlement or improper usage should be reported to your immediate superior, Head of Department or GHR for investigation.
- (2) It is the obligation of Directors and Employees to protect DXN Group's assets include its proprietary information, which includes but is not limited to intellectual property, such as trademarks, copyrights, patents, designs and trade secrets.

6.3 Records and Reporting

- (1) All employees are responsible for creating, using, storing, preserving, and where appropriate, disposing of records according to Company policies and practices, as well as current laws and regulations.
- (2) Any changes of the employees personal information, they are responsible to update to GHR from time to time.

6.4 Disclosure of Company's Confidential Information

- (1) All Directors and Employees are required to exercise caution and maintain confidentiality information provided or given access by DXN Group and/or its customers, except when disclosure is authorized by the law or regulations. This obligation continues beyond the termination of employment.
- (2) Confidential Information includes but is not limited to the following examples:



Code of Conduct and Ethics

- (a) Personnel / Payroll or salary records
 - (b) Profit sharing
 - (c) Compensation data
 - (d) Financial information
 - (e) Marketing strategies
 - (f) Pending projects and proposals
 - (g) Proprietary production processes
 - (h) Conversations between any persons associated with the Group
 - (i) Trades secrets
 - (j) Business information
- (3) Any Director or Employee who has been found liable for improper use, disclose, or abetting in the disclosure of Confidential Information shall be subject to disciplinary action, including but not limited to termination of employment or legal action or both, even if he/she does not actually benefit from the disclosure or the attempt to disclose such Confidential Information.

7. CONFLICT OF INTEREST

- 7.1 Conflict of interest refers to situation whether actual, potential or perceived which might be considered to interfere with that person's objectivity while performing duties or exercising judgment. The Directors, Employees or Associates should be transparent and shall declare if there is or potential to be any conflict of interest.
- 7.2 If there are cases of potential or actual conflict of interest:
- (1) Directors and Employees are obliged to disclose the conflict by making a declaration using the Conflicts of Interest Declaration Form to GHR so that a determination can be made as to the existence and seriousness of any potential or actual conflict. The Conflicts of Interest Declaration Form can be obtained from GHR.
 - (2) Associates are required to declare any conflict of interest to the Employee of the Company that the Associates liaise with prior to establishing or entering into a relationship with the Company. Existing Associates must declare any conflict of interest in the same way upon the ABC Policy being disseminated to them.
- 7.3 Any dealings of family members / relatives / friends with the Group must be disclosed, regardless whether directly or through a third-party vendor / contractor.



Code of Conduct and Ethics

- 7.4 Employees must not work in any other employment other than their employment with the Group, whether within or outside of working hours, without the prior written approval from the GHR. Any Employees who violates this provision may be terminated from their employment..
- 7.5 Directors shall disclose their employment outside of DXN Group, where applicable to the GHR or higher designate who shall then evaluate and consider whether the outside employment may rise to the possibility of conflict and by extension, negatively affect the Directors ability to fully and effectively perform their roles and duties for the Group. In the event of ambiguity, the matter shall be referred to and obtain the approval of the Board.
- 7.6 Guidance on avoidance of conflict of interest is set out in DXN's ABC Policy which can be obtained from GHR.

8. BRIBERY AND CORRUPTION

- 8.1 DXN takes zero tolerance approach to all forms of bribery and corruption and takes a strong stance against such acts. DXN is committed to conduct its business in honest and ethical manner, and in compliance with all applicable anti-bribery and corruption laws and regulations which includes compliance with MACC Act.
- 8.2 The Company has put in place the ABC Policy to set out the responsibilities of the Directors, Employees and Associates to observe and uphold the Group's stance on zero tolerance to bribery and corruption. The ABC Policy provides guidance on how to recognize bribery and corruption and set out the procedures on how to raise concerns on the breaching of this ABC Policy. The ABC Policy can be obtained from GHR.
- 8.3 As a general rule, Directors, Employees and Associates shall not, directly or through any third parties, offer, give, solicit or accept any bribes in order to achieve any business or personal advantage for themselves or others or engage in any transaction that contravene any applicable anti-bribery or anti-corruption laws.
- 8.4 Directors, Employees and Associates are required to read and fully understand DXN's ABC Policy. Compliance by Directors, Employees and Associates with the ABC Policy is mandatory. Any violation of the ABC Policy shall constitute a serious misconduct or offence that warrants an action which may lead to, but not limited to, disciplinary action, dismissal of employment, review of contract, cessation of business relationship or termination of service (whichever applicable) against the offender and/or reporting to the authorities which may constitute criminal action consistent with relevant laws and regulations.



9. WHISTLEBLOWING

- 9.1 DXN encourages its Directors, Employees, Associates and public to disclose any alleged or suspected unlawful, illegal, wrongful or improper conduct which has come to their knowledge.
- 9.2 DXN has put in place the Whistleblowing Policy which sets out guidelines and procedures to enable Directors, Employees, Associates and members of the public to lodge any genuine concerns pertaining to any actual or suspected unlawful, illegal, wrongful or improper conduct. The **Whistleblowing Policy** can be obtained from the GHR.
- 9.3 Disclosure of an improper conduct shall be made to the designated person through the communication channel set out below:

- Chairman of RMC: stefanheitmann@dxn2u.com and/or whistleblowing_abc@dxn2u.com

*[*If Chairman of RMC is not reachable, the whistleblower may email to Chairman of Audit Committee: abraham_verghese@dxn2u.com](mailto:abraham_verghese@dxn2u.com)*

- Letters in sealed envelope to be addressed to: Chairman of RMC

DXN Holdings Bhd.
No.113, Jalan BGS2,
Bandar Stargate,
Lebuhraya Sultanah Bahiyah,
05400 Alor Setar Kedah.

- 9.4 For improper conduct concerning the Chairman of RMC the report should be escalated to the to the Chairman of Audit Committee:
abraham_verghese@dxn2u.com and/or Chairman of the Board at the following address:

Chairman of the Board
DXN Holdings Bhd
No.113, Jalan BGS2, Bandar Stargate,
Lebuhraya Sultanah Bahiyah,
05400 Alor Setar Kedah.

- 9.5 The following protection will be provided to a whistleblower who makes a disclosure of improper conduct to the Company in good faith:



Code of Conduct and Ethics

- (a) Protection of confidential information to the extent reasonably practicable. However, anonymity cannot be respected if the identity of the whistleblower is required by law to be disclosed; and
- (b) Protection against any adverse and detrimental actions for whistleblower who made such report allegations of improper conduct in good faith.

10. GIFTS

- 10.1 DXN generally adopts a “No-Gift Policy”, subject to few exceptions, whereby all Directors, Employees and Associates shall not solicit or accept or give or offer any gifts that may have direct or indirect business interest or relationship (including any potential interest or relationship) with the Group.
- 10.2 The Directors, Employees and Associates shall at all times shall observe the following guiding principles:
- (a) **Transparency:** The Directors or Employees should be comfortable to disclose to its colleagues the gifts, entertainment or hospitality offered / received.
 - (b) **Recipients:** The Directors or Employees should only offer or accept gifts, entertainment or hospitality from those who will not put the Directors or Employees in position of conflict.
 - (c) **Ability to influence:** The gifts, entertainment or hospitality must not be offered or accepted when there is any pending business decision related to the offer or recipient of such gifts, entertainment or hospitality.
 - (d) **Value:** The gifts, entertainment or hospitality must be modest and not so frequent as to place the recipient under any obligation.

10.3 Receiving Gifts and/or Hospitality

- (1) The Directors, Employees and Associates are not allowed to receive any gifts and/ or hospitality save for those gifts and/or hospitality that are non- cash such as food, fruits, flowers and token gifts (such as planner, diaries, etc.) that are offered during special occasions or festive seasons (e.g. Chinese New Year, Hari Raya, New Year, etc.).



Code of Conduct and Ethics

- (2) If Directors, Employees or Associates are unsure or doubtful of the appropriateness of the gifts and/or hospitality offered or given, the offer of such gifts and/or hospitality should either be declined or the Employees and Associates may consult GHR or if Directors, may consult Board.

10.4 Offering Gifts and/or Hospitality

- (1) In general, gifts to Associates or Third Parties shall only be given as business courtesy and gifts such as Company's products may be offered during company events or functions. The Directors and Employees are not allowed to offer or give any gifts and/or hospitality to Associates or Third Parties if offering any gifts and/or hospitality shall be unsolicited and affecting or be perceived as affecting business judgment.
- (2) All expenses incurred to provide the gifts and/or hospitality must be properly recorded in the *Giving & Receiving Gift Declaration Form*.

10.5 Guidelines and procedures on Gifts, Entertainment and Hospitality is set out in DXN's ABC Policy, which can be obtained from the GHR.

11. COMPLIANCE WITH THE LAW

- 11.1 Directors, Employees and Associates are expected to understand and comply with the laws, rules and regulations that are applicable to their positions and/or work, including but not limited to the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, MACC Act, and Personal Data Protection Act 2010. The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police and / or other relevant authorities.
- 11.2 Directors, Employees and Associates are expected to adhere other employment related laws including but not limited to Employment Act 1955, Industrial Relation Act 1967 and Article 6 of the Federal Constitution (Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007).
- 11.3 In this regards, Employees and Associates are prohibited from all types of forced, bonded, or indentured labour, in accordance with the Article 6 of the Federal Constitution prohibits all forms of slavery and forced labour.
- 11.4 When any doubt exists as to the legality of any matter, the matter should be forwarded to Legal Department or GHR. All requests for information from regulators (either routine or non-routine) should be forwarded to the relevant departments for further action.



12. INSIDER TRADING

- 12.1 All our Directors and Employees are discouraged from engaging in speculative trading (as opposed to investing) in the Company's listed securities and are reminded to observe the prohibitions imposed on "insiders" in relation to Insider Trading under the Capital Markets and Services Act 2007.
- 12.2 The Directors and Employees in possession of material information or price sensitive information that has not been publicly disclosed should not trade in or deal with the Company's securities with anybody. In addition to this, all Directors and KSM personnel, identified and designated as such are required to comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

13. MONEY LAUNDERING

- 13.1 Money laundering is a 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.
- 13.2 Directors, Employees and Associates of the Group should always ensure that they are conducting business with reputable customers, for legitimate business purposes and with legitimate funds.
- 13.3 Directors, Employees and Associates need to be mindful of the risk of DXN Group's businesses being used for money laundering activities and if they suspect money laundering activities, they should report it to their respective Legal Department and/or the GHR for further investigation.

14. SUSTAINABLE BUSINESS PRACTICE

- 14.1 We commit to act in a socially, environmentally and economically sustainable manner and within the laws, customs and traditions of the countries we operate and contribute in responsible manner to the development of communities.
- 14.2 We aspire to act in a manner that minimizes the detrimental environmental impacts of our business operations. We continuously support charities, educational and community service activities. Our sustainability management is guided by the Sustainability Policy.