

# **CODE OF CONDUCT AND ETHICS**

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	<b>HONG LEONG ASSET MANAGEMENT</b>	<b>Version 2.0</b>
	<b>Code of Conduct and Ethics</b>	Effective Date: 21 July 2020

**Reference in the  
relevant  
legislation**

## 1.0 OVERVIEW

### 1.1 Objective

Hong Leong Asset Management Bhd (the “Company”) always commits to high standard of professionalism, ethics and integrity in the conduct of our business and professional activities. This Code of Conduct and Ethics is established to outline professional standards required to be adhered by all parties.

### 1.2 Application of Policy

All employees and any other persons permitted to perform duties or functions within HLAM.

### 1.3 Policy Statement

This policy document sets out the Code of Conduct and Ethics of HLAM.

This Policy is subject to regular periodic review by the Human Resources Department or whenever there are major changes to the relevant laws, regulations and guidelines. Any update to this Policy shall be submitted for approval by the Board.

### 1.4 Interpretation

“HLAM” and “Company” refers to Hong Leong Asset Management Bhd

“ED/CEO” refers to Executive Director/Chief Executive Officer

“Group COO” refers to Group Chief Operating Officer

### 1.5 Policy Information

<b>Policy Owner/ Administrator</b>	Head, Human Resources
<b>Accountable Officer updating this Policy</b>	Head, Human Resources or Manager, Human Resources
<b>Responsible Party(s) to comply with this Policy</b>	All employees who work in the Company – including but not limited to permanent, part-time and temporary employees.  The Code also applies to any other persons permitted to perform duties or functions within the Company – including but not limited to contractors, vendors, business partners, secondees, interns, persons on industrial attachment and agency staff (“3rd Parties”).

<b>Summary of Changes</b>	<ol style="list-style-type: none"> <li>1. Updated the policy format.</li> <li>2. Updated Clause 2.9 Bribery and Corruption and revised the further study from HLAM Compliance Policy and Procedures to HLAM Gifts and Entertainment Procedure.</li> </ol>
<b>Approved Date</b>	21 July 2020
<b>Effective Date</b>	21 July 2020
<b>Next review Date</b>	20 July 2021
<b>Related forms, publications and websites</b>	None
<b>Version No.</b>	2.0
<b>Reviewed and Concurred by</b>	ED/CEO
<b>Endorsed by</b>	Board
<b>Approved by</b>	Board

## **2.0 CODE OF CONDUCT AND ETHICS**

Hong Leong Asset Management Bhd (the “Company”) is committed to high standard of professionalism, ethics and integrity in the conduct of our business and professional activities as set out in this Code of Conduct and Ethics (the “Code”).

Each Party is responsible for fully understanding and complying with the Code. Each Party may be required to undertake training as may be necessary, and provide an affirmation that he has read, fully understood and will comply with the Code, annually.

The Code also forms part of the terms and conditions of employment/engagement. Any failure to comply with the Code, or any Company policies will be treated very seriously by the Company. Such failure shall constitute misconduct and may result in disciplinary action, including termination of employment (for employees) or termination of relationship with the Company (for 3rd Parties).

### **2.1 Commitment**

Each Party is required to observe and adhere to the following:

- a. To faithfully and diligently perform duties and accept responsibilities as may, from time to time, be assigned by the Company. Each Party is expected to promote and advance the interests of the Company at all times.
- b. To perform duties in respect of the Company as well as any other Company within the Group.

### **2.2 Confidential and Proprietary Information**

- a. Each Party shall keep and maintain the secrecy of all confidential and proprietary information, including those received pursuant to non-disclosure agreements with third parties (“the Confidential Information”) which comes into his knowledge as a result of his employment/engagement by the Company. Such Confidential Information shall include any information relating to the Company’s business, operations, processes, plans, intentions, product information, know-how, design rights, drawings, blueprints, charts, techniques, sources of supply, formulae, analyses, reports, methods of working, data and specifications, trade secrets, price lists, cost information, computer programmes, market opportunities, customer information, financial information, business and research plans and other commercially valuable information of any kind which the employee shall have access to while in the employment/engagement of the Company.
- b. The Party shall not copy, reproduce or reduce in writing any part of the Confidential Information thereof except as may be reasonably necessary for the purpose of performing his duties. Any copies, reproductions or reductions to writing shall be the property of the Company.
- c. The Party shall apply thereto no lesser security measures and degree of care to protect the confidentiality and secrecy of the Confidential

Information, than those which he would apply to his own personal propriety information.

- d. The Party shall not at any time either during his employment/engagement or after he ceases to be in the employment/engagement of the Company, use for himself or disclose to other parties or cause to be published any part of the Confidential Information without the prior consent of the Company.
- e. The Party shall deliver to the Company, upon leaving his employment/engagement for any reason whatsoever and/or any time the Company may so request, all such Confidential Information and other property constituting or relating to the employee's work for the Company.
- f. If the Party is found to have divulged or have caused to divulge or to have failed to use his best endeavours to prevent the publication or disclosure of such Confidential Information, the Group or Company reserves the right to terminate the contract of employment/engagement forthwith without notice and/or to take the appropriate legal action against the defaulting Party.
- g. Any Party who receives a subpoena or other requests seeking disclosure of Company information is to contact his immediate superior (for employees) or the Company (for 3rdParties) for guidance.

### **2.3 Intellectual Property**

- a. Any invention, improvement, literary rights, copyrights, trademarks, patents and/or new discoveries ("the Intellectual Property") which originates from or is conceived by the employee, whether alone or with any person or persons while in the employment of the Company, which relates either directly or indirectly to the Company, shall belong to and be the absolute property of the Company.
- b. The Party shall promptly disclose to the Company all such Intellectual Property made by him alone or with any person or persons and shall hold them in trust for the Company.
- c. The Party shall assign and hereby agrees to assign to the Company any and all rights to the Intellectual Property, as and when directed by the Company and further agrees that the Company and its successors and/or assigns shall have the absolute right to use experimentally or commercially the Intellectual Property or any part thereof.
- d. The Party shall at the request and expense of the Company do all things necessary or desirable to substantiate the rights of the Company as mentioned here.
- e. This provision shall not apply to any invention for which no equipment, supplies, facilities, know-how or trade secret information of the Company was used and which was developed entirely on the Party's personal time and which does not relate to the business of the

Company, directly or indirectly, or the Company's actual or demonstrated anticipated research and/or development, or which does not result from the work performed by the Party for the Company.

#### **2.4 Usage of Company E-Mail Facility**

- a. The Company maintains and provides an electronic mail (e-mail) system ("Company E-Mail System") to assist in the conduct of business within the Company. The use of the Company E-Mail System is reserved solely for the conduct of business at the Company. It may not be used for personal business including but not limited to the soliciting or proselytizing of commercial ventures, religious or political causes, outside organisations or other non-job-related solicitations.
- b. All messages composed, sent, or received on the Company E-Mail System are and remain the property of the Company. The Company reserves and intends to exercise the right to review, audit, intercept, access and disclose all messages created, received or sent over the Company E-Mail System for any purpose.
- c. Each Party must handle e-mail as private and direct communication between the sender and the recipient. Notwithstanding the Company's right to retrieve and read any e-mail messages, such messages should be treated as confidential by other Parties and accessed only by the intended recipient. Parties are not authorised to gain access, retrieve or read any e-mail messages not intended for them unless with the permission of the recipient.
- d. The Company E-Mail System shall not be used to send or forward any information on the Company's or the Group's customer, business, operations, policies, notifications or circular intended for internal use to any party outside the Company via e-mail without the prior approval from head of department (for employees) or the Company (for 3rd Parties).
- e. The Company E-Mail System must not be used to create any offensive or disruptive messages i.e. any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's age, sexual orientation, religious or political beliefs, national origin or disability.
- f. Any Party who discovers a violation of the e-mail usage policy shall notify his or her superior (for employees) or the Company (for 3rd Parties) immediately.
- g. Illegal Software – Parties are prohibited to install, load or download any illegal software into the Company's personal computers.

#### **2.5 Parties' Use of Social Media**

- a. All Parties must always be aware that all Company personnel are always viewed as ambassadors of the Hong Leong brand, credible spokespersons of the Company and technical/industry experts.

Thus, at all times no member of the Company shall approve or support any action or activity that in any way brings the organisation into ill repute or create negative publicity for the organisation. As an ambassador of the Group, staff must consistently act with honesty and integrity and be mindful of the implications of their actions or activity on the Company.

- b. Parties are expected to maintain the same high standards of conduct and behavior online as would be expected elsewhere and/or outlined in the Code. This includes but not limited to:
  - being apolitical and professional
  - behaving with respect and courtesy, and without harassment
  - dealing appropriately with information, recognising that some information needs to remain confidential
  - being sensitive to the diversity of Malaysia
  - taking reasonable steps to avoid conflicts of interest

## **2.6 Press Release and Public Statement**

- a. No Party is authorised to make any public statement, either orally or in writing or in any form, on the internal policies, financial information, internal affairs or corporate affairs of the Company or circulate any such statement made either by him or anyone else to the media or public except with the approval of the Company's Group COO/President, and in case of matters concerning the Hong Leong Group, with the prior approval of the President; or in accordance with item (b) below.
- b. Only the head of departments or units responsible for sales, marketing, customer services, public relationship or other similar functions, Group COO or President, and senior executive with the explicit approval of the Group COO or President for specific topics of interest, and the Chairman's appointed spokesperson for Group concerns are authorised to make or release any statements on the Company to the media or the public, provided that they are for the purpose of communicating sales, marketing, customer services or public relationship and related information in accordance with the existing Company's policies on such matters with the prior approval of the Group COO /President.
- c. A Party shall inform the Group COO and President or the Group Corporate Affairs & PR Department if he is approached by a member of the media to comment on any matters pertaining to the Company.

## **2.7 Public Appearance as a Guest Speaker**

- a. No Party of the Company is allowed to participate as a speaker in talks, seminars, conferences that are not organised by the Company without the prior approval of his Group COO /President.
- b. When applying for approval from his Group COO /President, the Party concerned is required to submit the intents and contents (or full text, if otherwise requested) of his talk or speech to be delivered for consideration and approval.

- c. Unless otherwise authorised, the Party shall in no circumstance, disclose, divulge or implicate any confidential information pertaining to the Company's business, operations and policies.

## **2.8 Restraint and Conflict of Interest**

Each Party shall devote his whole time, attention, energy, and skill solely to the business of the Company and shall not be concerned or interested directly or indirectly in any business or work other than of the Company. Without the written approval or permission of the Company (approval should be granted only where the interest of the Company is not prejudiced), no Party is allowed, during the period of the Party's employment with the Company:

- a. To take up employment, whether paid or unpaid, of another employer; or
- b. To engage or concern himself or be interested in any other business, whether or not the business belongs to him or to any member of his family or any other person or corporation; or
- c. To have proprietary or pecuniary interest in the business of any other company, firm or individual, business of which is in whole or in part similar to any trade or business carried on by the Company; or
- d. To trade with any company or firm in which the Party or his family or any other members of the staff are interested directly or indirectly; or
- e. To have any outside interest which is in direct conflict with the business of the Company in which the Party manages.
- f. To allow any conflict of interest, bias or undue influence of others to override business and professional judgement. Every Party must not be influenced by friendship or association in performing his or her role.

Any Party found to be so employed, engaged, invested, traded, concerned or interested in business will be regarded to have wilfully breached a condition of employment and the Company reserves the right to terminate the contract of employment forthwith without notice or to take other action as the Company deems fit.

## **2.9 Bribery and Corruption**

- a. Parties shall not in any manner offer or receive an offer of graft or a bribe for his own benefit or for any other person(s), with intent to influence his conduct in relation to the Company's affairs.
- b. Parties must at all times comply with local anti-bribery and corruption laws and regulations. In Malaysia, the main legislation is the Malaysian Anti-Corruption Commission Act 2009.
- c. Any Party found to have committed such an act shall be subject to disciplinary action which may include dismissal. Severe penalties, including heavy fines and imprisonment, can be applied to any person found guilty of bribery or corruption.

- d. All employees are strictly prohibited from giving or receiving a gift or entertainment which is, or which appears to be inappropriate or excessive, taking into account all relevant facts and circumstances.
- e. All Parties must promptly declare any gift or entertainment which they give or receive.
- f. For any gifts or entertainment with value above the quantum set out by Gifts and Entertainment Procedure, prior approval is required as per the approving Matrix. (For further reading: HLAM Gifts and Entertainment Procedure)

#### **2.10 Abuse of Power**

- a. All Parties are not to use their position to influence other employees, current and potential customers or business partners of the Company to act in their personal interest or in the interest of anyone other than themselves and the Company.
- b. All Parties are not allowed to use the Company's name or facilities, their position and/or connection with the Company to gain personal advantage and preferential treatment or to engage in activities or unethical arrangements for personal or mutual gains.

#### **2.11 Employee Behaviour**

- a. All Parties are expected to conduct themselves professionally and in accordance with accepted standards of behaviour in Malaysia.
- b. Use of abusive language and physical violence will not be tolerated.
- c. Any Party who is detained in police custody, whether on a criminal charge or otherwise, shall inform the situation to the Company.

#### **2.12 Personal Finances**

- a. Any improper handling by a Party of his personal finances could undermine his credibility and the reputation of the Company. It could also cause others to question his decision-making on the job or task that he is handling. Therefore, the Party must handle his personal finances responsibly, with integrity, and in compliance with all relevant laws and regulations. He must not promote or participate in illegal financing schemes, tontine schemes (kootu funds) and otherwise carry on illegal activities for his own personal gain or the gain of others.
- b. The Company reserves the right to carry out checks of a Party's past, as well as present financial activities and patterns. Where a Party fails to fulfil his financial obligations as and when they fall due or has been the subject of a judgement debt which is unsatisfied, either in whole or in part, the Company may take appropriate action, including:
  - Removing the Party from certain positions or roles e.g. position of authority, cash handling, etc; and
  - Termination of employment if the Party is declared bankrupt and is no longer suitable to be employed by the Company.

A Party's career advancement may also be impacted as a result of his poor financial standing such as his promotion being withheld.

### **2.13 Integrity of Records**

- a. Parties must not make entries or allow entries to be made for any account, record or document of the Company that are false or would obscure the true nature of the transaction as well as to mislead the true authorized limits or approval by the relevant authority of such transactions.
- b. Parties should report to their superior immediately upon discovery of any unauthorised copying, entries, deletions or alterations in the Company's records.

### **2.14 Insider Trading**

- a. No Party shall deal or influence any other person to deal in the securities of any company listed or pending listing on a stock exchange at any time when he is in possession of information obtained as a result of his employment by, or his connection with the Company, which is not generally available to the public and which, if it were so available, would likely to have a material effect in the market price or market activity of the shares.
- b. Parties who are in possession of market sensitive information are not allowed to trade in securities of the Company or another listed company if that information has not been made public. Parties are also prohibited from disclosing any non-public price sensitive information to any third party.

### **2.15 Money Laundering and Terrorism Financing**

- a. All Parties must abide by the laws and regulation pertaining to Anti-Money Laundering and Counter Financing of Terrorism.
- b. Parties should always ensure that they are conducting business with reputable counterparties, for legitimate business purposes and with legitimate funds and if they suspect money laundering activities, they should report it to their respective Head of Department or the relevant person designated by the Company.

### **2.16 Anti Fake News**

The Company is cognisant of its business reputation and integrity and the importance of maintaining goodwill and harmony in the office. With this in mind, the Company takes a stern view of any party using the Company's communication channels to express views which may be offensive to others. All parties are strictly prohibited from sharing any racist, sexist, political or hate based news, views or material. Sharing of any unverified news is also strongly discouraged. Before sharing any email, article or news, all parties should take reasonable steps to verify the information contained therein by cross checking the material with reputable news sites or official channels.

### **2.17 Competence**

The Company is committed to ensuring that all parties develop and maintain

the relevant knowledge, skills and behaviour to ensure that the Company activities are conducted professionally and proficiently.

**2.17.1 Continuous Professional Development and Training**

All parties must help ensure the Company meets its legal, compliance and regulatory obligations as well as stakeholder and customer expectations by possessing and maintaining the skills and knowledge needed to perform their role. To do so, all parties must:

ATTAIN COMPETENCE	MAINTAIN COMPETENCE
<ul style="list-style-type: none"> <li>• Meet competency standards of the Company and its regulators.</li> <li>• Carry out duties and responsibilities diligently and competently.</li> <li>• Seek help from line managers or from HR to fill in any gaps in skill, knowledge or expertise. Understand the steps to be taken to achieve competence.</li> </ul>	<ul style="list-style-type: none"> <li>• Keep up to date with the job requirements at least annually.</li> <li>• Continuously learn and improve skills, knowledge and expertise.</li> <li>• Proactively keep abreast with changes in law, regulation and industry best practices.</li> </ul>

Multiple training channels are in place to enable easy access for employees to be upskilled. The party is to complete any training programmes within the stipulated time frame. Allowing a colleague to complete their training or sharing answers to help a colleague is strictly forbidden.

If the performance of their role requires to maintain a professional license or industry accreditation, parties must ensure that they continue to maintain such license or accreditation and complete all necessary training and examinations within the required timeframe.

**2.17.2 Personal Declarations on Legal and Regulatory Proceedings, Fitness and Propriety**

The Company continuously assesses all parties to ensure their suitability for the roles they perform.

All parties must promptly declare to the HR Division (for employees) or Company (for 3rd Parties) if the parties are involved in any criminal, civil or regulatory proceedings, whether or not the proceedings relate to the Company, including but not limited to:

- Any arrest, charge, conviction or legal proceeding relating to a criminal charge including unresolved criminal charges, however minor;
- Any inquiry or action by a financial institution regulator, law enforcement agency or similar authority;
- Any legal claims against any party relating to fraud, dishonesty, or unfair or unethical conduct committed by the parties;
- Any traffic that involve court proceeding.

Where an employee is identified to hold a position of key responsibility, the Company is required to assess their fitness and propriety prior to appointment and on annual intervals thereafter, based on criteria relating

to:

- Probity, personal integrity and reputation
- Competence and capability
- Financial integrity

### **2.17.3 Compliance with Laws and Regulations**

The Company operates in a highly regulated environment. All parties must comply at all times with all applicable laws and regulatory requirements, and be open and transparent with regulators. All parties must fully cooperate with and provide accurate information for any internal or external investigations.

Additionally, all parties are responsible for fully understanding and ensuring compliance with legal or regulatory requirements which are specific to their role.

Violations of the Code or any laws, regulations, or regulatory requirements that apply to the Company may result in disciplinary action including dismissal from employment (for employee) or termination of your relationship with the Company (for 3rd Parties). Misconduct that will result in disciplinary actions also includes:

- Violating or asking others to violate the Code; or
- Failing to report to HR Department any known violation of the Code or any suspicion, reasonably held, of a violation of the Code.

Where appropriate or where required to do so, the Company may also:

- seek remedies in a civil court including but not limited to monetary damages and/or a court order prohibiting an individual from continuing to violate the Code or any laws, regulations, or regulatory requirements;
- report such violation to the police and/or regulators, which may result in criminal liabilities and/or penalties; or
- report such violation in employment records databases maintained by regulatory authorities and/or industry bodies which may be referred to by future employers during the employment process.

### **2.17.4 Compliance with Shariah Governance Framework**

The Company places great importance in ensuring the Islamic financial system operates in accordance with the requisite Shariah governance framework or any other relevant policies/guidelines. All parties are required to promptly report to Compliance Department any known or suspected Shariah non-compliance involving any of our Islamic based services or operations.

## **2.18 Environment**

### **2.18.1 Safe Workplace**

A safe and healthy workplace is important to the wellbeing of everybody. The Company relies on all parties to comply with applicable laws such as the Occupational Safety and Health Act 1994 and HLAM's policies as they relate to ensuring the health, safety and security of our workforce, our customers and others who may be present on our premises.

The Company is committed to a non-violent working environment, free of threats, intimidation and physical harm. Any acts or threats of violence towards other parties or the Company's property should be reported immediately. The unauthorized possession or use of weapons, or menacing references to weapons, while at work, on the Company's premises or while on the Company's business or during the Company sponsored events, is also prohibited.

The Company works in an industry where the threat of criminal activity is real. Practice good physical security habits and be alert to ensure the safety of all parties. Don't allow unauthorized parties into secure areas. Any party asking to make a delivery or provide a service should be able to show valid identification, which should indicate, where appropriate, their affiliation with the organization they represent. The Company relies on all parties to promptly report any criminal activity or situations that could pose a threat to any party or to others.

All Parties are requested to always practice the following:

- i. If any party become aware of any actual or potential health or safety hazard, report it immediately to manager;
- ii. Any accidents at work involving injury or damage must be reported immediately to manager; and
- iii. Always maintain a clean, hazard free and healthy environment by keeping passageways clear.

### **2.18.2 Diversity and Inclusion**

The Company employs/engages people from a variety of backgrounds, origin, experience and culture. Discrimination of any kind is strictly prohibited, including any discrimination of race, colour, nationality, ancestry, citizenship status, creed, religion, age, gender, pregnancy, maternity, marital status, or physical disability.

All parties must not, at any time, engage in or support acts of harassment or inappropriate or abusive conduct by or against the Company employees, customers or business partners. Examples of unacceptable conduct include unwelcome jokes, threats, physical contact, derogatory comments, teasing, bullying, intimidation or other offensive or abusive language or action.

The Company will not tolerate discrimination, harassment or intimidation and will take all allegations seriously. It is the responsibility of every party to report any behaviour that is unlawful, abusive or otherwise violates this Code.

### **2.18.3 Sustainability**

The Company is committed to reduce the effect of operations on the environment so that they are able to build their franchise in a safe and healthy environment. The Company aims to do this by managing the resources use across the Company and raising parties' awareness about the importance of caring for the environment. The Company will be mindful of all activities with employees, business partners and the community that the Company operates within to ensure human rights are safeguarded. Where there is any adverse impact, the Company is committed to addressing these.

#### **2.18.4 Drug Free Workplace and Alcohol Consumption**

All parties must not sell, manufacture, distribute, possess, use or be under the influence of illegal drugs in the workplace or while performing work related duties.

All parties must not consume alcohol at any time during the working day, and/or at the Company sanctioned event, to such a level that their ability to work is significantly impaired.

#### **2.18.5 Office**

The primary purpose of an office is to support all parties in performing their job and all parties are reminded to always be mindful and sensitive in their actions and words at the office. The Company prohibits all parties from:-

- i. Carrying out personal activities such as promoting religious or political beliefs amongst co-workers;
- ii. Carrying out political campaigns at the office; and
- iii. Performing prayer rituals at places other than prayer room without the prior approval of the HR Division.