

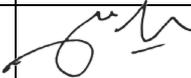
HARPS HOLDINGS BERHAD

CODE OF CONDUCT



HARPS HOLDINGS BERHAD

ORIGINATION

Internal Review Date	Name	Designation	Signature	Date
28-Oct-2021	Lim Ka-Tsung Joachim	Head of Legal & Compliance		28-Oct-2021

REVISION HISTORY

Revision Code	Revision Description	Person in Charge	Effective Date
COC-00	Reviewed and approved by Board	NTH	14-Jan-2021
COC-01	Reviewed by Legal & Compliance, together with Human Resource and Risk Management	NTH, JL	01-Nov-2021

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1. Introduction

- 1.1 HARPS Holdings Berhad (“**HARPS**” or the “**Company**”) has adopted the following Code of Conduct (the “**Code**”) for Directors, Management and Employees of the Company and its subsidiaries (the “**Group**”). This Code is established to promote the corporate culture which engenders ethical conduct that permeates throughout the Company. All Directors, Management and Employees of the Group shall be collectively referred to as “**Staff**” hereon.
- 1.2 For avoidance of doubt, this Code shall be reviewed by Key Senior Management of the Company on periodic basis in consultation with Human Resource Department and Legal & Compliance Department (where necessary).
- 1.3 We are what we believe in; guided by our Values rooted in integrity, we want to be part of a better world. Our Corporate Philosophy entails:

Values

HARPS. Honesty, Accuracy, Reliability, Presence, Sustainability & Social Compliance.

Vision

To be your trusted partner in glove solutions.

Mission

To highly value your needs in glove solutions through continuous improvement and innovation.

2. Principle

The principle of this Code is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.

3. Purpose

This Code is formulated with the intention of achieving the following aims:

- 3.1 To emphasise the Company’s commitment to ethics and compliance with the applicable laws and regulations;

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- 3.2 To set forth basic standards of ethical and legal behaviour within the Company;
- 3.3 To include noble characteristics in performing duties so as to improve work quality and productivity;
- 3.4 To improve self-discipline in order to provide the Company with good and quality service; and
- 3.5 To enhance skills in the implementation of duties and to be able to adapt to the work environment.

4. Code of Conduct¹

Every Staff is responsible to ensure compliance with the Code:

- Know and comply with the Code and the Company Policies and Procedures.
- Seek guidance when in doubt.
- Avoid illegal, unethical or otherwise improper acts.
- Report any suspected violation of policies, laws and regulations.
- Assist authorised teammates with investigations.
- Take responsibility and accountability for own actions.
- Notify your department head (“**HOD**”) or the Board immediately if you suspect any irregularities.

The Company will take disciplinary action against any personnel who fails to act in accordance with applicable statutory laws, Company Policies and Procedures and this Code.

In the performance of his or her duties, each Staff must comply with the letter and spirit of the following codes:

4.1 Human Rights

The Company supports and respects human rights. The Company treats Staff 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. Staff should respect the personal dignity, privacy and rights of each individual they interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

¹ The section on Code of Conduct in this Policy embodies an extension of the Employee Code of Conduct represented in the Website - [Code-of-conduct-for-employee.pdf \(harps.com.my\)](http://harps.com.my/code-of-conduct-for-employee.pdf). Please refer to the Website for clarification.

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4.2 Health and Safety

The Company provides a work environment that is safe, secure and free of danger, harassment, intimidation, threats and violence. The Company takes appropriate precautions to prevent injuries or adverse working conditions for each and every Staff. It is the responsibility of each and every Staff to adhere to the prescribed safety rules and acts as well as to raise any concerns which may represent potential threats to health and safety. Staff are responsible for reporting injuries and unsafe work practices or conditions as soon as they are being discovered or become known.

4.3 Environment²

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. Staff should contribute to minimizing the use of finite resources, including energy, water and raw materials. Staff should minimize harmful emissions to environment, including waste, air emissions and discharges to water.

4.4 Gifts, Gratuities and Entertainment³

Each and every Staff must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organisation with whom or with which the Company has, or is likely to have, business dealings as such acceptance may present potential conflicts of interest.

The Staff must not accept any other preferential treatment under these circumstances because their positions with the Company might be inclined to, or be perceived to, place them under obligation to return the preferential treatment.

While business courtesies are to be encouraged, the Company prohibits acceptance or receipt by any Staff of any gift, gratuity, entertainment or other item of monetary value to the amount of RM300.00 from the Company's suppliers or customers.

² For a clearer understanding of the Company's observance and compliance to environmental sustainability, the Company has arrived at its [Environment, Social and Governance Statement - HARPS-Berhad-ESG-Statement.pdf](#).

³ This part of the Code of Conduct is an extension obtained from the [Anti-Corruption Policy](#), which aims to regulate the No-Gift Policy. See Footnote 1.

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Staff should never accept gifts, services or entertainment that may reasonably be deemed to affect their judgment or actions in the performance of their duties. However, when circumstances make it impractical for the Staff to refuse a gift, the gift should be handed over to a member of the Key Senior Management Team or Human Resource for decision to handle.

Similarly, the Staff must not corruptly give, agree to give, promise or offer to any person any gratification (as defined under Malaysia Anti-Corruption Commission Act 2009 (“MACC Act”) and any statutory modification, amendment or re-enactment thereof for the time being in force) whether for the benefit of that person or another person with intent to obtain or retain business for the Group or to obtain or retain an advantage in the conduct of business for the Group.

4.5 Anti-Bribery and Anti-Corruption

Bribery and corruption are prohibited by law in almost all countries in which the Group conducts its business in. The Group is committed to conduct business in accordance with the highest ethics, accountability and transparency standards. The Group has adopted a zero tolerance towards all forms of corruption by any party or stakeholder or Staff acting for the Group or on behalf of the Group.

Consequently, Staff shall never offer, give, receive or solicit any form of bribe in order to achieve any business or personal advantage for themselves or others or engage in any transaction that contravenes any applicable anti-corruption laws and regulations. A bribe occurs when someone attempts to influence a decisions or actions by offering some form of undue or improper advantage, incentive or favour. Staff should not participate in any corrupt or unethical activity such as but not limited to extortion, abuse of power, trading under influence fraud and/or money laundering.

For a clearer illustration, please visit the [Anti-Corruption Policies & Procedures - AC P&P \(harps.com.my\)](#)⁴

4.6 Company Records and Internal Controls

The Company’s records must be prepared accurately, timely and honestly, both by accountants who prepare financial statements and by Staff who contribute to the creation of business records, for example, by submitting expense records, time sheets, order and invoice records. The Company takes obligation to maintain business records for operational, legal, financial, historical and other

⁴ See Footnote 1.

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purposes seriously and takes appropriate steps to ensure that the content, context and structure of the records are reliable and authentic.

Reliable internal controls are critical for proper, complete and accurate accounting and financial reporting. Staff must understand the internal controls relevant to their positions and comply with the policies and procedures related to those controls to ensuring that effective and reliable business processes are in place.

4.7 Company Assets

The Company's properties and assets should be managed and safeguarded in a manner which protects their values. Staff are accountable both for safeguarding all assets entrusted to them, including information resources, records, materials, facilities and equipment under their care or control, from loss, theft, waste, misappropriation or infringement and for using the assets to advance the interests of the Company. All Staff have an affirmative duty to immediately report the theft, loss or misappropriation of any Company assets, including financial assets, physical assets, information assets and electronic assets to the management as stipulated under Violations of Code of Conduct below.

4.8 Exclusive Service⁵

The Company expects each and every Staff to give their fullest attention, dedication and efforts when executing their duties for the Company. Staff must avoid any personal, financial or other interest which may be in conflict with their duties and responsibilities to the Company. In this respect, an Staff is not permitted to be gainfully employed, either directly or indirectly in any capacity, in any trade by any other organisation, company or business concern or occupation⁶ (except being a shareholder or debenture holder in a public company) other than the Company without prior written consent⁷ of the Chief Executive Officer. Such permission will not be unreasonably withheld unless it has an impact on the Staff's ability to perform his/her normal duties or his/her performance at work or for an organisation which is in direct

⁵ This Section takes precedence and gives reference to each Staff's Letter of Employment with the Company.

⁶ The expression "occupation" shall include any public or private employment or work which in the opinion of the Company may hinder or otherwise interfere with the performance by the Staff of his/her employment contract.

⁷ Written request shall explain the details of his/her employment, trade or business. If authorized, the Company assumes no responsibility for the outside employment. The Company will not provide the Staff with insurance coverage or any other benefit for injuries occurring from or arising out of the outside employment.

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competition with the Company; in which case, such permission will be revoked immediately and disciplinary action including termination may be taken against the Staff who breaches this article.

4.9 Integrity and Professionalism

Staff 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 Staff should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on Company's business.

4.10 Personal Appearance

Staff who are provided with uniforms by the Company shall wear them in full at all times while at work.

Staff are 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 Staff.

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

4.11 Confidential Information

The nature of each Staff's work in the Company would sometimes involve him/her having access to trade secrets, product formulae, information gathered or imparted in confidence, files and records of the Company pertaining to the Company's business which the Company regard as secret and confidential in order to safeguard its legitimate business interests. All information obtained in the course of engagement and/or employment with the Company shall be deemed to be strictly confidential and shall not be disclosed, revealed, divulged or made known to any third party(ies) unless in the proper performance of his/her duties and only if expressly directed or permitted to do so in writing by the Company. This measure applies to all Staff both during and after the service with the Company⁸.

⁸ These information accessed during employment with the Company are referred to as "Confidential Information".

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Except with the permission of the Company, an Staff shall not make any unauthorised public statement, circulate, divulge or communicate with any customer, member of the public, media or government or statutory bodies on the policies or decision of the Company on any issue, or any other information or details in respect of the Company's business. 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. Staff must take precautionary steps to prevent the unauthorised disclosure of proprietary or confidential information, including protecting and securing documents containing this information.

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

Upon termination of employment for whatsoever reasons, the Staff shall forthwith deliver to the Company, all notes, records and any data relating to the Company's Confidential Information. The services of the Staff may be terminated with or without notice in the event he/she breaches his/her obligations under this Confidential Information article. The Company reserves the right to bring an action for injunction and damages against the Staff for any breach or threatened breach of disclosure of Confidential Information after termination of service.

Staff shall not, without the prior consent of the Company, give evidence at or adduce any documents in any legal proceedings in any action involving the Company, for or on behalf of any party to the proceedings other than the Company itself. Staff and his/her spouse shall not be allowed to work in the same Section or Department in the Company unless with the approval from the Chief Executive Officer. If this approval is not granted, the Key Senior Management may transfer one of the spouse to any other suitable job in any Section or Department in the Company.

4.12 Compliance Obligations

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions which the Group operates. Staff are expected to understand and comply with the laws, rules and regulations that are applicable to their positions and/or work activities, including the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFA") and the MACC Act. The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

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4.13 Conflict of Interest

The Company expects that the Staff will perform their duties conscientiously, honestly, and in accordance with the best interests of the Group.

Staff must take care to separate their personal roles from their Company positions when communicating on matters not involving the Company's business.

When Staff are faced with a conflict-of-interest situation, they are required to disclose their interest to their immediate superior and submit the necessary form⁹.

4.14 Fair Dealing

All Staff, 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 will compete effectively and fairly in the market which it operates. 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.

4.15 Anti-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 AMLATFA in Malaysia.

Staff 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. Staff are expected to be mindful of the risk of the Company's business being used for money laundering activities and to raise any suspicious transactions to their immediate superior and the Key Senior Management to undertake further investigation.

⁹ The Conflict of Interest Declaration Form can be obtained from Human Resource Department. Staff of the Group – at VP level and Key Senior Management level are required to make this declaration on an annual basis.

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

4.16 Insider Dealing

No Staff 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 Staff 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.

Staff 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.

5. Communication and Compliance

The Company should ensure this Code is being communicated to all levels of Staff through staff handbook, notice board, intranet, or corporate website. The Company should include the briefing of this Code to new Staff in the induction programme.

The Board should ensure this Code permeates throughout the Company and is complied by all levels of Staff within the Group.

6. Violations of Code of Conduct

All Staff of the Company who suspect violations of this Code have an obligation to report its violations to supervisors, managers, HODs or Head of Human Resource about the known or suspected illegal or unethical behaviour. The Company's Staff shall promptly report any known or suspected violations of this Code to the Chief Executive Officer, who will in turn consult with Human Resource Department and Legal & Compliance Department (where necessary). All allegations of improper conduct in regard to this Code will be investigated immediately. All investigation will be conducted in the strictest of confidence.

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No action shall be taken against an individual for making legitimate complaints against individuals or departments who have not adhered to the Code of Conduct, or who are suspected of not adhering to the Code of Conduct. The Company will also under certain circumstances accept and investigate matters submitted anonymously. Serious disciplinary action may be taken against those who violate this Code of Conduct. This Code of Conduct will be subject to amendments and be updated periodically. All Staff will be asked to read and certify that they will abide by the Company's Code of Conduct. It is accepted that it is impossible for this Code to cover every situation that may arise. Hence, when Staff are not clear about any action to be taken, speak to your supervisor for clarification.

The Company has also established a [Whistle-Blowing Policies & Procedures](#)¹⁰ that provides an anonymous, secure and confidential communication channel for employees to raise genuine concerns or report any misconduct or wrongdoings. The provision, protection and procedure of the Whistle-Blowing Policy & Procedures for reporting of the violation of the Code are available on the Company's portal.

7. **Non-retaliation**

The Company makes every effort to maintain the confidentiality of any individual who reports concerns and possible misconduct. Staff 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.

8. **Investigations¹¹ and Audit**

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 Staff 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 Staff shall appropriately respond to, cooperate and shall not interfere with, any lawful government inquiry, audit or investigation.

¹⁰ Please visit the HARPS website for this [Whistle Blowing Policies & Procedures - AC P&P \(harp.com.my\)](#).

¹¹ In line with Whistle Blowing Policies & Procedures.

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9. Periodic Review

This Code should be reviewed periodically by the Directors in accordance with the needs of the Company and be communicated to all levels of Staff on the new changes. This Code is available on the Company's website.

This Code is reviewed and approved by the Board on 14 January 2021.

This Code is further reviewed by Human Resource Department with Legal & Compliance Department for consistency and approved by the Key Senior Management of the Company on 28 October 2021.