

# **CODE OF ETHICS & BUSINESS PRACTICE**







## CODE OF ETHICS AND BUSINESS PRACTICE

### 1. Executive Summary

DRB-HICOM is committed to maintaining the highest standards of conduct at the workplace and in business engagements. Our business must be conducted fairly, professionally and impartially and in full compliance with all laws and regulations. In conducting business, honesty and integrity as well as the absence of any conflict of interest, will underpin all Company relationships, including those with customers, vendors, suppliers, contractors, government officials, the business community at large and among employees. Our employees must continue to uphold the image, integrity and impartiality of the Company in any business conduct and must not engage in any practice that may raise question questions about these values.

The Board and Management of the Company have placed upon themselves, the prime responsibility of ensuring that ethical work and business conduct are ever present. It is, however, the responsibility of every employee to comply and act in accordance with the policies set out in this document and any updates of them that may be circularized from time to time. This responsibility that is entrusted to the employees includes supporting the implementation of the Code and the right to ask questions, provide feedback, report suspected violations and express concerns regarding compliance with or deviations from the Code. Superiors and the Chief Executive Officers of The Group companies have the added responsibility of ensuring the implementation of the Code and the monitoring its compliance.

The Office of the Group Managing Director (GMD) will be compiling the policy guidance or any reviews thereof from time to time. The principles outlined in this Code encompass four areas of business relationship including the workplace. This document is meant as a reference for all levels of employees and indirectly all parties that do business with us. In dealing with the external parties, we need to pass the message of the needs for ethics compliance.

Except in situations that are considered business norms, for avoidance of doubt, business courtesies or gift are discouraged. Largely, gifts can be misconstrued as possibly giving undue influence on the decision-making in the Company and should not be accepted. It should also be noted that gifts may be deemed to be derived from one party if made through intermediaries.

Any exception to the above could only be granted by the GMD of DRB-HICOM Berhad/HICOM Holdings Berhad.

### 2. Purpose of the Code

The Code of Ethics and Business practice shall serve as our formal commitment to conduct ourselves professionally at all the times and do business in a transparent, appropriate and their manner. The main message that the Code intends to convey to both employees and parties doing business with us is that the Company and the employees shall under no circumstances allow the ethical principles to be compromised or tainted.

This Code should assist all employees in living up to our high ethical business standards and to conduct themselves appropriately at the work place, while performing their daily duties for DRB-HICOM.

This Code is not a comprehensive manual that covers every ethical situation that our employees would encounter during their course of work but rather it rationalizes the key issues and highlights the relevant governing policies and procedures to help us all.

Through the policies set forth in this handbook, it is DRB-HICOM's Expectations that all employees:

- i. Strive towards a high standard of professionalism;
- ii. Serve with honest and integrity; and
- iii. Give undivided loyalty and devotion to DRB-HICOM at all the times and on all occasions.

It is also our expectation that other parties conducting business with the Company accord us the respect as formalized in this Code.

### **3. Responsibility and Accountability**

#### **i) Employees**

This Code as set out is to be integral to the terms and conditions of service. All employees are required to understand the Code and comply as a matter of course. Ignorance of the existence of this Code or any related amendment or variation to it will not be accepted as an excuse for its breach. The Company will require all employees to sign a letter of declaration every year to abide by this Code, as it will be continuously updated to suit business and operational requirements.

#### **ii) Superiors and Chief Executive Officers**

Superiors and Chief Executive Officers, as leaders in the Company, have the added responsibility of leading according to these practices, in both words and actions. They are also responsible for promoting open and honest 2-way communications to facilitate discussions especially in situations where the application of the Code may not be so clear. Managers and supervisors should not only play an exemplary role but should also diligently be on the lookout for indications that unethical or improper business conduct has taken place. Of course, prevention is better than cure.

#### **iii) Principals, Vendors, dealers, and Suppliers/Contractors**

All parties, be they principals, suppliers, vendors, consultants, dealers, contractors and their respective agents or intermediaries are required to conform to the principles documented in the Code in their relationships and dealings with us. The office of the GMD or such person(s) as may be delegated is prepared to work with any party to resolve any possible issues professionally consistent with our expected standards and requirements.

#### **4. Employment Values**

##### **i) Serve with Purpose**

The contract of service or employment has one common denominator: the agreement to employ and the agreement to serve. The agreement by the staff to serve and be employed calls for full commitment, uncompromised integrity and true professionalism to ensure that the interests of the employing organization are protected. The service is based on mutual trust with our goals aligned to that of the organization. It is our duty to perform well and add value to the organization and the stakeholders.

##### **ii) Work within Bounds**

One has to respect the laws, regulations, policies, procedures and system and recognize the levels of authority. More importantly, our conduct must be within bounds of sound ethics and good corporate governance to ensure that we refrain from misbehaviors that can adversely affect our professionalism. We cannot be a party to any mischief or allow any abuse to go unchecked.

##### **iii) Upholding of Interest**

Organizational interests are paramount and the preservation of these interests must not be challenged. There shall be no other external involvement or business pursuit by a staff that can put the employer under threat or at conflict. A conflict of interest arises when a person in a position of trust has competing professional and/or private interest with that of the employer. Conflict of interest can also be any situation in which the individual or party is in a position to exploit a professional or official capacity for personal gain. Conflict of interest can be direct or indirect. Some common forms of conflicts of interest are:

- a. Self-dealing or involvement in other capacities or bodies resulting in collusion of private and public interest
- b. Outside employment (including part-time employment) or board appointment that may contradict current position
- c. Personal/family interest that may impair business or professional judgments
- d. Direct ownership or indirect ownership through/by proxy in external company having business relations with employer/related organization
- e. Side-deals of business prepositions/transactions that would result in his/her personal gains or detriment to the employer
- f. Undue influence on awards/selection of vendors, contractors, etc. without regard for commercial fairness to derive direct or indirect personal gains.

In personal of above involvements, the onus is on the staff concerned to ascertain that the position sought, ownership contemplated or external interest under consideration are not conflict or competition with Company, directly or indirectly.

##### **iv) Mitigating Conflicts of Interest**

Avoidance or refraining from temptations of being drawn into a conflict of interest situation is the best prevention. If this is not achievable, one has to make full disclosure/declaration and where necessary seek relevant clearance and/or approval from the Group Chairman. This regularization involving the disclosure, clearance or approval does not mean one is removed

from a position of conflicting interest. To ensure fairness and objectivity, one should not participate in or influence any decision-making where such conflicts exist. To install greater transparency, an independent review/evaluation may be needed in certain matters.

**v) General Reminders on Healthy Work Places**

Employment ethics also mean that confidentiality of information is preserved, and not abused. Misuse of information, for personal gain, external party's benefit or even to tarnish the image of the employing organization should not even be contemplated. One should also avoid fabricating or distorting information and circulation it internally or externally, as this unhealthy practice can be very detrimental to the employer or other employees.

An employee should not misuse his/her position to produce benefits or other preferential treatment in his/her course of duty. He/she shall not receive or allow his/her immediate family members to receive gifts or benefits (except souvenir item with little monetary value) from those having business relations with the organization.

At all times, we need to be loyal and act responsibly and ethically to uphold the good image of the Company. If you have a concern about unethical business practices taking place in the Company, you can take appropriate action by informing your manager or the Office of the GMD, at level 6, Wisma DRB-HICOM, with the facts of the matter. However, any anonymous letters or blatant allegations will not be entertained. Rest assured that all correspondences with the Office of the GMD would be treated in the strictest confidence.

\*Throughout this Code of Ethics and Business Practice, reference made to "DRB-HICOM " or the Company is deemed to include DRB-HICOM Berhad and employees and seconded of HICOM Holdings Berhad.

This Code of Ethics and Business Practice also be adopted by subsidiaries and associated companies within the "DRB-HICOM" or "the Company" is deemed to include employees of the organizations which adopt this Code of Ethics and Business practice.

All references in this Code of Ethics and Business Practices to the masculine gender shall include the feminine gender, unless otherwise expressly stated.

## **TABLE OF CONTENTS**

THE Code will outline our conduct in 4 areas:

1. The Company and us
2. Our Customer and us
3. Our principals, vendors, dealers, suppliers/contractors and us
4. Other external parties and us

### **1. THE COMPANY AND US**

- A. DRB-HICOM's Name and Identity**
- B. Safe Work Environment**
  - i. Safe and conducive work environment
  - ii. Employees' obligation
  - iii. Breach of safety rules and procedures
- C. Professionalism & Attire**
  - i. Professional development
  - ii. Professional organization, public and community service
  - iii. Time and punctuality
  - iv. Absence with permission
  - v. Serious pecuniary indebtedness
  - vi. Misuse of Company's resources and position
  - vii. Attire and personal appearance
- D. Assets and Properties**
  - i. Employees' responsibilities
  - ii. Company vehicles, petrol cards and parking bays
  - iii. Access to the internet and its materials
  - iv. Copying of software/intellectual properties
- E. Information**
  - i. Confidential and proprietary information
  - ii. Confidentiality ranking
  - iii. Information to be protected
  - iv. Recording and storing of information
  - v. Insider trading
- F. Other Employment/Disclosure of Assets and Other Business Interest**

### **2. OUR CUSTOMERS AND US**

- A. Relationship Management**
- B. Internal Customer**
  - i. Respect for another
  - ii. Each and everyone's responsibility
- C. External Customer**
  - i. Integrity and professionalism
  - ii. Relationship with customer

### **3. OUR PRINCIPALS, VENDORS, DEALERS, SUPPLIERS/CONTRACTORS AND US**

- A. Doing business with others**
  - i. We enter into business undertakings legally and ethically
  - ii. Conflicts of interest
  - iii. Money laundering

- B. Giving and Receiving Business Courtesies**
  - i. Guiding principles
  - ii. Business gifts and courtesies
  - iii. Approval of the Office of GMD required
  - iv. Business norms
- C. Purchasing and Procurement Practices**
  - i. Acting in DRB-HICOM's best interest
  - ii. Improprieties or potential thereof
  - iii. Business courtesies by vendors or suppliers
  - iv. Commitment on behalf of the Company
  - v. Commitments by resignees and consultants disallowed
  - vi. Handling cash and company monies

#### **4. OTHER EXTERNAL PARTIES AND US**

- A. Safeguarding Our Reputation**
- B. Government Agencies**
  - i. Dealings with government officials and contracts
  - ii. Offers and unlawful payments are disallowed
- C. Competitors**
  - i. Competitors' proprietary information, trade secrets etc.
  - ii. Maintaining ethical practices in a competitive environment
- D. Media**
  - i. Queries from media or third parties
  - ii. General Communication
- E. Political Parties, Non-Governmental Organizations (NGOs) and Non-Profit Organizations (NPOs)**
  - i. Political involvement
  - ii. Contributions to NGOs and NPOs

#### **5. FINAL WORD**

- A. Expectations of a DRB-HICOM employee**
- B. Consult the legal Affairs Department/Company Secretary**
- C. Consult the Office of the Group Managing Director (GMD)**
- D. Consult your immediate supervisor and manager**
- E. Preparing yourself for ambiguous situations**
- F. It is everyone's responsibility**
- G. Protection of Informer/Whistler-blower**

## 1. THE COMPANY AND US

### A. DRB-HICOM'S NAME AND IDENTITY

- i. The name and logo of DRB-HICOM are invaluable and intangible assets that carry the goodwill of the Company. The usage shall be only for official purpose. The corporate name and logo shall be respected, safeguarded and shall not be subjected to personal abuse and it is the responsibility of all employees to:
  - a. Maintain and strengthen the image of the Company by inculcating good values, conducting himself/herself in a responsible manner and displaying desirable and positive work behavior at all times;
  - b. Act and be perceived as one team, where our collective strength is utilized to understand the continuous changing needs of our customer and meet those needs better than any of our competitors, employees throughout the Group shall understand that we all work for DRB-HICOM and share this common goal;
  - c. Not place his/her personal duties above the interest of the Company

### B. SAFE WORK ENVIRONMENT

#### i. Safe and conducive work environment

- a. DRB-HICOM is committed to providing a safe and conducive work environment. This is reflected in our safety Policy (Human Resource Policies and Procedures Manual).
- b. It is everyone's responsibility firstly, to comply with all instructions or measures on occupational safety, health and environment instituted by the Company and as stipulated in the Occupational Safety and Health (OSHA) Act 1994 and the Environment Quality Act 1974 in order to promote safe behavior, and secondly, to check unsafe conditions in the workplace. We are also responsible for the immediate reporting of accidents, injuries and unsafe equipment, practices or conditions to a supervisor or other designated person.

#### ii. Employees' obligations

- a. To enhance the safety of all employees, each of us must report to work free from the influence of any substance (including alcohol) that could prevent us from conducting work activities safely and effectively. Threats, Acts of violence or physical intimidation, and immoral/indecent acts on fellow employees are prohibited.
- b. At all times, all possible care must be taken by employees to ensure our safety, as well as the safety of our co-workers and others around us. We must follow all rules and regulations laid down on safety matters, influence and persuade others to do the same (as their non-compliance may harm us, the Company and others too), and report cases of non-compliance.
- c. In the absence of formal rules and regulations or guidelines, use common sense and your best judgment to ensure safety.

iii. **Breach of safety rules and procedures**

- a. In order that we, including our families that depend on us, benefit from a safe work environment, employees are required to follow all established safety rules and practices.
- b. As any form of unsafe act or unsafe behavior can endanger others, all breaches of safety practices may be subjected to disciplinary action.
- c. DRB-HICOM may impose any one or a combination of disciplinary actions against any employee in the event of misconduct. (*Please refer to Appendix 1 attached on the Disciplinary Procedures.*)

C. **PROFESSIONALISM AND ATTIRE**

i. **Professional development**

While the Company encourages employees to pursue further education, employees shall not use the normal working hours to study or to prepare for assignments or project papers.

It is appropriate that the employee consults his superior of his educational pursuit to facilitate working arrangements and application for examination leave.

Employees shall not use information on the Company for purpose of their study with prior approval from their superiors. Under such circumstances, the Company reserves the right to require the employee to submit a copy of the completed study.

Employees who are on approved study leave should ensure the leave is used for the purpose. During this leave, no form of part-time, freelance or temporary employment can be undertaken by the employee.

ii. **Professional organization, public and community services**

DRB-HICOM encourages the employees to participate outside working hours in professional organizations, voluntary public service, sports, recreational and other community activities. Employees shall inform their superiors of the extent of their involvement in such activities and shall ensure that at all times their involvement in such services or activities will not diminish their performance at work.

iii. **Time and Punctuality**

a. **Punctuality**

- Punctuality being a primary criterion of work life, promotes goodwill and respect. Therefore, employees must be punctual as regards to working hours, attending meetings, conferences, training and appointments, both in-house as well as with external customers.
- Employees should manage their working time productively and efficiently and not misuse working hours to loiter around in lift areas, lobbies, pantries, canteen or car parks.

- Employees must be at their assigned workstations, ready to work at the beginning of their daily working hours or immediately after lunch hour. They are also expected to remain at work until the end of their assigned works hours, except for approved breaks and authorized outside appointments.

iv. **Absence with permission**

Employees shall comply with the Time Management system that may be introduced from time to time.

Any employee needs to obtain prior approval by applying for leave from the immediate supervisor if he/she has to leave the workplaces to attend to urgent personal matters outside the Company during working hours. It is not appropriate to seek ‘time-off’ to attend private matters.

v. **Serious pecuniary indebtedness**

a. Serious pecuniary indebtedness (causing financial hardship) from whatever cause, will be regarded as necessarily impairing the efficiency of an employee, tarnishing the image of the company and rendering the employee liable to disciplinary actions and other implications.

b. Employees are not encouraged to barrow from any person\* or stand as surety or guarantor to any borrower, or any manner place himself/herself under any serious obligation to any person\*:-

- Who is directly or indirectly subject to his/her official authority;
- With whom employees have or are likely to have official dealings; and
- Who carries on the business of money lending illegally.

*\*for the purpose of this policy the word ‘person’ shall include a body, corporate or unincorporated.*

c. Employees may, however, borrow from banks, insurance companies, co-operative bodies or borrowing companies licensed under the Borrowing Companies Act, 1969 or incur debt through acquiring goods by means of hire purchase agreement.

d. Group companies engaged in the provision of services or products to employees must follow the financial or commercial limits of authorities on employees’ indebtedness and take necessary actions to recover the employees’ debts or borrowings before becoming overdue or encumbered.

vi. **Misuse of Company’s resource and position**

a. Employees shall not misuse their positions to procure benefits or other preferential treatment from parties and entities which DRB-HICOM has dealings or potential dealings with.

b. Employees shall not misuse their positions in the Company to borrow from or become indebted to anyone who has dealings with DRB-HICOM.

- c. To avoid incurring unauthorized commitment or transactions, authorization to act on the Company's behalf shall be in accordance with the Levels of Authority (LOA) approved by the respective Boards of Directors.
- d. Employees shall endeavor to provide to the best of their knowledge, honest and accurate recommendations and conclusions in the execution of their duties.
- e. Employees may receive request from time to time for reference. These may only be given in a private capacity and no use should be made of the Company's name or stationery. Only employees holding Board appointments are authorized to give reference in the Company's name.

vii. **Attire and personal appearance**

Employees shall use suitable working attire during office hours. The approved working attire is as follows:

a. **Male employees**

- Executive employees shall be attired in shirt with necktie or bush jacket and long pants and shoes.
- Non-Executive employees shall be attired in shirt and long pants.
- Employees who are provided with uniforms shall dress accordingly.

b. **Female employees**

- Employees shall be appropriately and decently attired in keeping with the image and personality of Malaysian woman.
- Employees who are provided with uniforms shall dress accordingly.
- Female staff must avoid the following attire during official working hours:
  - Short and/or tight garments that do not befit working environment.
  - Revealing attires (e.g. bare back/shoulders, transparent materials, slit skirts etc.).
  - Jeans wear and T-shirt (round-neck and collared) that reflect casualness.
  - Slippers, sandals and sport shoes.

Baju Kebangsaan, Traditional Wear and Batik are allowed as alternative attire on Fridays. In addition, male employees have the option of being attired without neckties on Fridays. However, a male employee should be in shirt and necktie should he be present at any meeting or function with external parties.

**D. ASSETS AND PROPERTIES**

i. **Employees' Responsibilities**

- a. As employees of Company who or have jurisdiction over the assets and properties entrusted to us, we have a responsibility to protect them from loss, damage , misuse, illegal use, theft or any form of vandalism.

- b. These asset and properties such as funds, products and services, Company vehicles, access and security cards, office equipment or facilities are meant for business and other purposes approved by Management.
- c. We will not use Company asset and property for personal reasons, or take them out of Company's facilities, unless it is necessary to do our job and with prior authorization, where required. Any private use is only on the basis of privilege arising from an approved entitlement and is not to be taken as an absolute right.
- d. Assets or properties used by employees for business purposes are for the direct benefit of the Company and to add value to its business. These assets and properties if no longer used must be returned in good condition.
- e. Materials borrowed from the Resource Centre shall be handled with proper care and returned when due.
- f. Lights and electrical appliances should be switched off after use and at the end of the day. Minimal lighting should be used during lunch time.
- g. Employees should highlight breakdown, failure or damage of Company's equipment and facilities to the appropriate parties for prompt action to be taken.

ii. **Company vehicles, petrol cards and parking bays**

- a. Company vehicles are provided only for the use of authorized employees of the Company and for official Company/work purposes only. Any private use is only a privilege and not an absolute right.
- b. Employees provided with Company vehicles or authorized to drive such vehicles shall ensure that the vehicles are maintained in good condition at all times.
- c. Vehicles MUST be returned to and parked at their respective locations upon completion of work unless authorized by relevant department head. Unauthorized carrying of other passengers in these vehicles is strictly prohibited.
- d. Except with special permission, a petrol card assigned to a specific vehicle is not to be shared with other vehicles and is meant for purchasing of fuel only. Receipts for usage of any petrol card must be retained. Capping on petrol consumption is based on grade levels. Any excess usage must be justified for official business.
- e. Employees are to duly park their cars in designated bays and not use or misuse car parking bays designated or reserved for others.

iii. **Access to the internet and its materials**

The internet is an endless source of information available in an unregulated environment. The internet facilities provided to you is for business purposes. As such, using DRB-HICOM's internet access for inappropriate activities can result in disciplinary action. To get the most from the internet without exposing DRB-HICOM Group to unnecessary risk, you should be aware of the following:

- a. Do not automatically assume that anything you find in the internet is up to date and accurate;
- b. Before using or distributing information obtained from the internet, verify it by checking the source or contact the necessary authorities;
- c. International laws and copyright restrictions apply to materials on the internet. It is important that you make sure the materials you download and used, comply with all applicable laws and copyright restrictions;
- d. Avoid visiting internet sites where offensive information (e.g. pornography, etc.) is published. Do not download any material that might be considered offensive or could be perceived as offensive and objectionable from the religious, political, racial or hatred or ill feelings of various parties;
- e. Avoid engaging in unproductive and/or non-business activities such as game, chat rooms, etc;
- f. Do not share, without prior authorization, any information that is proprietary to DRB-HICOM or its clients;
- g. Refrain from clogging the mail gateway with non-business message, and use attachments only when necessary;
- h. DRB-HICOM reserves the right to revoke the user's internet access if he/she is found to abuse the computing facilities outside the scope of the work;
- i. There shall be no other means of accessing the internet except for the specific means provided by the IT service provider r company appointed by DRB-HICOM
- j. Circulation of unnecessary e-mails including "chain letters", engaging in "spamming" activities and inciting personal attacks through the e-mails is strictly prohibited; and
- k. Internet and e-mail facilities like all other facilities provided by the Company are properties of the Company. The Company may exercise its right to access in regulating the usage.

iv. **Copying of software/intellectual properties**

- a. Due to contractual restrictions and statutory or regulatory requirements, only software licensed for our use or develop by us may be used.
- b. Employees of DRB-HICOM are prohibited from acquiring, processing, trading or using hardware or software tools that could compromise the information system security of DRB-HICOM.
- c. DRB-HICOM forbids all employees from the following:

- Any duplication of material that is copyrighted without consent of the owner.
- Any copying of software without written authority.
- Any copying or transferring of proprietary software belonging to Company on other computers that do not belong to the Company unless authorized by the Company.
- Any usage of unauthorized software on any computers, to prevent virus infection.

**E. INFORMATION**

i. **Confidential and proprietary information**

- a. Confidential and proprietary information as used by employees include:
- Information of the Company that is known to the public and/or would be helpful to competitors;
  - Information that certain parties have entrusted to us for our use; and
  - Information, data or know-how
- b. Information in relation to DRB-HICOM and its operating companies shall not be published or used by an employee in their studies unless approved by their superiors. If approved, the proposed publication shall not under any circumstances bear the words “approved publication” or words to that effect by whatever name called. Any permission granted may be withdrawn at any time without assigning any reason. The Company can exercise its right to require the employee to submit a copy of the completed study.

ii. **Confidentiality ranking**

- a. The guide provided by DRB-HICOM Information Security Booklet categorizes all information assets based on six security classifications, namely:
- Secret
  - Confidential
  - Restricted
  - Private
  - Internal use only
  - Unclassified
- b. This is to ensure that correct information is disseminated to the right person with the appropriate level of security clearance on a need to know basis in order to do their jobs.
- c. This standard data classification system must be used throughout DRB-HICOM and the responsibility of classification rates with the owners of the information.
- d. Draft versions of information must be handled in the same manner as final versions.

- e. We must limit access of information and through the ranking of information, we shall be guided about any disclosure of information. The Company will not accept any excuse or reason for failing to classify the information that may result in unauthorized dissemination of such information.
- f. When in doubt, it is necessary that employees seek clarification or authorization to prevent sensitive information from being improperly disseminated.
- g. General definitions or interpretations of the classifications are as follow:

*Secret*

Corporate information that is official and highly confidential. Very sensitive in nature and entrusted to only a selected few meant for very restricted circulation; Need to be filed or stored in a highly secured manner.

*Confidential*

Corporate or individual information of official nature that is sensitive and has strong impact at both issuing and receiving ends and/or corporate level. Targeted and restricted circulation

*Restricted*

Confidential/official information meant to be read by the intended receiver. It has a fair degree of sensitivity at the issuing/receiving ends and/or corporate level.

*Private*

Meant to be for the intended receiver only and should be treated as a confidential matter.

*Internal Use/Circulation Only*

To be for circulated within the specified domain i.e. Division or Company. It is not supposed to be circulated beyond these parameters.

*Unclassified*

Information that is not confidential can be circulated without limitations.

- h. Examples of Classification

<u>Information Type</u>	<u>Classification</u>
Merger Initiatives	Secret and Confidential until embargo is lifted. Very restricted circulation.
Proposal to BOD/MANCO	Confidential until BOD/MANCO has agreed to release
Meeting Minutes	Secret and confidential. Circulated only to selected personnel.
Salary	Private and Confidential.
Staff Movement	Internal use only.

Vendor's Information	Secret and Confidential. Not to be abused.
Management Accounts (Including draft)	Confidential and Restricted.
News Release	Deemed unclassified after publication.

iii. **Information to be protected**

- a. These information are those that are considered confidential and proprietary or sensitive, in particular relating to finance, securities, acquisition and divestments, business performance, product launches and audit reports. These information are prevented from being disclosed until they are properly released to the public.
- b. Information affecting corporate, customer and employees cannot be disclosed in any manner without proper authorization.
- c. Information gained through formation of business alliances are given to us based on trust and on our undertaking to keep such information confidential. We need to treat this information in the same way that we treat our own confidential information to prevent being exposed to any legal implication or final liability.
- d. The obligation on employees to protect and preserve such proprietary, confidential or sensitive information continues even after leaving service of the company.

iv. **Recording and storing of information**

- a. At all times, we must uphold the integrity of information and not misrepresent or falsify any information and records in the Company.
- b. For the Company to make meaningful and responsible business decisions, we require honest, complete and accurate according and reporting of information. This includes such data as quality, safety and personnel records, as well as all financial records.
- c. It is our obligation to reflect accurately in our records, financial books and accounts the transactions and events taking place with conformity to all the required accounting principles, standards and internal controls of DRB-HICOM. No form of artificial entry or falsification is allowed. At all times, when a payment is made or received, it can only be used for the purpose spelt out in the supporting document.
- d. All business transactions must be recorded, and communicated in a truthful and accurate manner. We will avoid exaggeration, guesswork, legal conclusions, and derogatory remarks or characterizations of people and companies. This applies to communication of all kinds including email and “informal” notes or memos.
- e. Any correspondence addressed to external parties should not be explicitly copied to internal personnel. If necessary, a copy of such correspondence must be “blind carbon copied (bcc)” to the internal personnel.

- f. Retention and destruction of any records must be in compliance with all legal requirements and Company policies.
  - g. Employees shall not make or permit entries to be made to any account, record or document with the intention to falsify, mislead, and obscure the true nature of the transaction or authorization limits.
  - h. Employees cannot show lack of concern for any inaccurate, false or misleading data and must bring to the attention of the Company the presence of such information.
  - i. Employees shall not amend, alter or deface documents submitted by business associates and customers, or be involved in any arrangement to the forgery of signatures or other data.
  - j. No party can remove without consent or authorization any confidential data, licensed software or copyrighted software by itself or in any storage media containing such data.
- v. **Insider trading**
- a. As a public listed entity, DRB-HICOM strictly abides by the governing Acts, authorities, rules and regulations.
  - b. Any dealing, buying or selling of DRB-HICOM shares by employees must be undertaken very carefully to avoid the implications of insider trading laws.
  - c. The security laws impose stringent penalties on persons who are found to have committed insider trading or other violations. Insider trading is a criminal offence and is prohibited under the Securities industry Act 1983, the companies Act 1965 and the KLSE Listing Requirements. Section 89 to 89P and 90A of the Securities Industry Act also contain relevant provisions prohibiting insider trading.
  - d. “Insiders” are not permitted from disclosing any individual information and/or trading on basis of material information until the information has been properly disseminated to the market. A person is considered an “insider” even she/he is not an officer of the Company whose shares are in question if he/she possesses information that is not generally available which on becoming generally available a reasonable person would expect it to have material effect on the price or value of the securities and knows or thought reasonably to know that the information is not generally available.
  - e. Ownership of shares is an integral declaration required by the Company as part of the “Declaration of Assets” which is applicable to all staff of senior manager levels and above.

**F. OTHER EMPLOYMENT/DISCLOSURE OF ASSETS AND OTHER BUSINESS INTERESTS**

- i. All employees with managerial levels and above are required to declare their assets, financial commitments and business interests to the GMD once every two years. This is inclusive of any acquisition or disposal of assets as well as changes to the business interest that may occur in between.
- ii. All employees may not own, directly or indirectly shares or any other form of beneficial interest in:
  - a. Entities which derive a significant part of their income from contractual or other business arrangement with DRB-HICOM; and
  - b. Entities supplying material, equipment or other provision of services to DRB-HICOM.
- iii. An employee has to give his full commitment to the Company, and is not allowed to conduct his own private business or hold directorship or other positions of another company or organization during his/her employment with the company.
- iv. An employee may only undertake, participate or be engaged in other part-time employment with prior written approval from the Office of the GMD.
- v. Should an employee have either directly or indirectly shares or other forms of beneficial interest in such entities mentioned above, the employee has an obligation to inform the Company of his interest. DRB-HICOM will then advise the employee concerned as to the most appropriate way to prevent conflict of interest.
- vi. An employee who has been invited to serve on the board of directors of any company outside the DRB-HICOM Group may only accept such appointment after obtaining a written permission to do so from the GMD. Before asking for permission to sit on the board of directors of such company, the employee should satisfy the GMD that such an appointment is not detrimental to his responsibility to the Company or result in a conflict of interest.
- vii. Approval, if any be granted on the understanding that if, in the opinion of the GMD there arises at any time a conflict of interest or it is detrimental to his responsibilities to the Company, then the employee must make the final choice or either to remain with the Company or resign forms the board.
- viii. If required, employees in senior managerial grades and above are also required to make a “Declaration on Continuing Prerequisites of Employment” which is depicted by an undertaking of being fit and proper with the absence of conflict (of interests) in order to enable the employee to carry out his responsibilities effectively and/or assume a higher-level office with a clean and transparent disposition. This declaration must be made once every two years.

## 2 OUR CUSTOMER AND US

### A. RELATIONSHIP MANAGEMENT

Critical to our success is the relationship that we have fellow employees, our customers, suppliers, business partners, government authorities and other entities, which we have dealings with. These relationships shall be characteristic as follows:

- i. We must always work in an objective oriented manner, with clearly defined goals in terms of our business strategies and profitability, and maintaining close long-term relationship with all affected parties;
- ii. Among fellow employees, we must show concern and respect for each other. We must also be capable of working cooperatively in teams and sharing common goals and information in an environment where honest praise, constructive criticism and fair reward have their place;
- iii. In discharging our duties, we must cultivate a deep sense of responsibility and accountability and find ways to persevere and resolve the problems that may arise without assigning blame to fellow employees or other parties; and
- iv. Interactions and involvement with relevant parties should always be conducted in a manner that avoids even the appearance of impropriety whilst being consistent with all applicable statutory laws, regulatory rules and requirements.

### B. INTERNAL CUSTOMERS

#### i. Respect for another

- a. In any dealing with our internal customers, we shall conduct ourselves in a professional manner and in the best interest of the Company. We must demonstrate the highest regard and give due respect to one another, avoiding any language or behavior that intimidates or offends others.
- b. Any form of verbal, physical or visual abuse, harassment or offensive conduct is unacceptable. These unacceptable conducts include derogatory comments based on racial or ethnic characteristics and sexual advances. Employees are to report any form of harassment when it occurs. We are encouraged to speak out when a co-worker's conduct makes us uncomfortable, and to report harassment (verbal or physical) when it occurs.
- c. We need to maintain meeting etiquette and decorum and respect those in attendance at meetings. We cannot be engaged in personal criticism, telephone conversations or distract the proceedings at a meeting by the ringing of mobile phones. Unless unavoidable, we should not frequently and/or for long duration leave our chair during meetings.

ii. **Each and everyone's responsibility**

- a. The relationship that is practiced internally between one another has to be fostered within an atmosphere that promotes goodwill and respect. This healthy practice reflects not only of oneself but indirectly that of the superior and the Company. As such, we must ensure that we continue to inculcate team spirit, togetherness and cohesiveness. At all the times, we shall refrain from sowing discord or ill will.
- b. Managers and supervisors must be directly responsible in managing and guiding their direct subordinates. Decision making must be undertaken objectively based on facts and not just hearsay. There shall be no discrimination on any individual or Group because of race, religion, gender or disability. Your position should not be used to take advantage of others or to intimidate or harass staff. Examples of this form of exploitation include withholding of deserved rewards, demanding unfair or illegal favors or maneuvering for personal gains.
- c. Subordinates should not look at their supervisor in an insulting or impertinent manner or willfully defy reasonable and lawful authority that could be detrimental to the organizational well being.

C. **EXTERNAL CUSTOMERS**

i. **Integrity and professionalism**

- a. We will build respectable long-term relationships with our customers and dealers by demonstrating honesty and integrity.
- b. All of our marketing, advertising and representations will be accurate, truthful and well organized. For value adding, guidance should be sought from the appropriate function at the Head Office. Deliberately misleading messages, omissions of important fact, or false claims about our competitors' offering are never acceptance.
- c. There would be circumstances where the subsidiaries and associate companies within the Group compete in the same market. As a Group, we should operate in a cohesive and synergistic manner, focusing on the overall Group as the ultimate beneficiary.
- d. To maintain DRB-HICOM valuable reputation, compliance with our quality processes, service levels and safety requirements is essential. We damage our good name when we sell products or deliver services that fail to live up to DRB-HICOM standards or those imposed by the principals.

ii. **Relationship with customers**

- a. We must remember that our livelihood largely depends on our customers.
- b. We will ensure that we serve our customers using the highest ethical standards in order to successfully meet or exceed the customers' business and to further enhance DRB-HICOM's reputation

- c. We cannot compromise the customers' right to privacy by accessing their accounts to obtain personal information such as home address, birth date, identity card details or any other information, for our own or anyone else's privilege or gain, unless authorized in writing by the customers or in pursuance of our lawful obligations. We must not reveal the information of any customer to any outside party.
- d. We will uphold our customers' self esteem by employing the highest service levels and business standards when we interact with them face-to-face, through our correspondences, and over the telephone.

### 3. OUR PRINCIPALS, VENDORS, DEALERS, SUPPLIERS/ CONTRACTORS AND US.

#### A. DOING BUSINESS WITH OTHERS

##### i. We enter into business undertakings legally and ethically

- a. Decisions and actions prior to and during the course of undertaking the business must be based on the best interests of DRB-HICOM, and must not be motivated by personal considerations or relationships. Any form of relationships with prospective or existing principals, suppliers, vendors, contractors, customers, competitors, intermediaries, dealers or regulators must not affect our independent and sound judgment on behalf of DRB-HICOM. DRB-HICOM employees are required to disclose to Management any situation that may be, or appear to be in conflict of interest. *Remember, when in doubt, it is best to disclose and obtain clearance.*
- b. DRB-HICOM employees may not work or, or receive payments or benefits for services from any of the above-named 3<sup>rd</sup> parties of without the prior written approval of Management (refer 1F).
- c. Any outside activity must be strictly separated from DRB-HICOM employment and should not affect job performance at DRB-HICOM. We must make sure the skills we learn and use at DRB-HICOM or information obtained are not use in such a way that could harm or compromise the interest of DRB-HICOM in any way.
- d. Any employee who has interest directly or indirectly in entities which have business relationships with DRB-HICOM and who is involved in any way in the decision-making, dealing or transactions with such entities during his course of employment with DRB-HICOM must inform the office of GMD of such interest for clearance prior to entering into so much decision, dealing or transaction.

##### ii. Conflict of interests

- a. DRB-HICOM's employees should avoid situations in which personal interest could conflict – or appear to conflict – with the Company's business.
- b. At all times, we cannot use personal influence or positions to get DRB-HICOM to do business or enter into any undertaking with a Company or a third party in which our family members or friends have an interest, directly or indirectly.

- c. As such, we must not take part in any activity or relationship that may conflict with our responsibilities to DRB-HICOM. A conflict of interest occurs if our activities or actions of personal interest appear to or may influence the business of the Company or the objective decisions required in the performance of our responsibilities to DRB-HICOM.
- d. In all ways, we, or any of our family members cannot solicit, request or receive gifts, loans or other special preferences beyond what are otherwise ordinarily available from a person or 3<sup>rd</sup> party that does, has done, or wants to do business with the Company or is a competitor of the Company.
- e. In our dealings on behalf of DRB\_HICOM, we must not realize any profits or derive any benefits apart from our regular compensation. The only exception are gifts, souvenirs or sales promotional items of small value extended as a business courtesy, or the occasional business meals.
- f. At all times, an employee shall not allow his/her independent judgment to be prejudiced by direct or indirect personal interests including that of his/her families.

iii. **Money Laundering**

- a. DRB-HICOM handles many forms of transactions and undertakes various types of business activities, all of which must conform to the governing Acts, authorities, rules and regulations.
- b. Any form of business undertakings or activities dealt with or executed by any employee must be carefully and properly attended to from the initial engagement stage to completion so as to avoid the implications of money laundering as defined by the statutory laws.
- c. Amongst other things, money laundering is defined as the act of a person who –
  - (a) Engages, directly or indirectly , in a transaction that involves proceeds of any unlawful activity;
  - (b) Acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes, uses, removes from or brings into Malaysia proceeds of any unlawful activities.
  - (c) Conceals, disguises, or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds any unlawful activity;

Where

- (aa) As may be inferred from objective factual circumstances, the person knows or has reasons to believe, that the property is proceeds from any unlawful activity; or

- (bb) In respect of the conduct of the natural person, the person without reasonable excuse fails to take reasonable steps to ascertain whether or not the property is proceeds from any unlawful activities.

*(Please refer to the Anti Money Laundering Act for further clarification)*

## **B. GIVING AND RECEIVING BUSINESS COURTESIES**

### **i. Guiding principles**

- a. The foremost guiding principle is conscience on our part when faced with the situation.
- b. An employee shall not receive or offer, nor allow his immediate family members to receive or offer on his behalf, gifts or provisions of other benefits from or to DRB-HICOM business associates, as this could place the employee in a position whereby his independent business judgment maybe prejudiced.
- c. We will also not procure or give gifts, loans or other benefits to a customer (or customer's representative) or potential customer to get sales or beneficial arrangements from the customer.
- d. We will not seek and ask for, nor accept, gifts on behalf of ourselves or the Company or any group or unit of other companies even for legitimate purposes such as training or sponsorship of social or any sporting or welfare events. The above also includes soliciting sponsorship for whatever purpose.
- e. We may be faced with this situation: "Others do it. If we don't, we won't win any business!". Whilst it is true that our refusal to give expensive gifts or entertain a customer lavishly may not yield the expected business outcome, we believe that many more their needs and requirements by delivering products and services that are backed by quality and good customer management. Many customers prefer dealing with parties who show genuine respect and decorum to them.
- f. If we misjudge and allow our conscience to remain unguided so as to benefit our personal interest, we may be the sole party left forlorn to regret our actions.

### **ii. Business gifts and courtesies**

In principle, staff cannot put themselves in an obligated or compromised position, in any business dealing. Staff should not accept gifts from principals, vendors, suppliers, contractors, customers and other third parties that may influence, or are even perceived to be able to influence, decision-making should be objective, based purely on merits and relevance and should benefit the Company. Decision-making should never be determined to the Company or based on your personal interest, choice, hearsay or undue pressure.

iii. **Approval of the Office of GMD Required**

Other than souvenirs of little value (i.e. calendar, diary, etc.) it is the Company's policy that all gifts received from any third party must be managed to avoid abuse or becoming obligated and for the purposes of these guidelines, no gifts should be received without prior written approval of the Office of the GMD.

iv. **Business Norms**

- a. Gift-giving practices may vary among cultures; in some rare situations, it would be impractical to refuse or return a gift. This may include gifts that are offered during celebration of a festival, or special occasions such as official launches or openings. In such cases, employees are to practice good business sense and conscience – that self vetting value between the heart and mind. It is best to consult the Office of GMD.
- b. Some business situation including signing ceremonies, corporate visits and Company functions may call for the giving of gifts. DRB-HICOM's gifts must be lawful, reasonable, and approved by Management. DRB-HICOM employees must never pay bribes directly or indirectly or resort to unsavory means in business dealings.
- c. Appropriate gifts include occasional business meals, Company souvenirs or transportation by Company vehicles to Company-related meetings, seminars or Company facilities. We also provide entertainment that is reasonable akin to the business. We consider "entertainment" to include a representative of both parties at the event.
- d. Entertainment that is reasonable in the context of the business and which advances the Company's interests can be considered acceptable. For example, accompanying a business associate to a local cultural or sporting event, or to a business meal, would in most cases be acceptable.
- e. Entertainment that is lavish or frequent or indulging in a lifestyle not befitting one's status may appear to influence one's independent judgment on behalf of DRB-HIOCM. If an invitation seems inappropriate, we must turn down the offer or pay the costs of the entertainment to pre-empt an obligation arising, now or in the future.
- f. However, staff are use their discretion if it appears that too many gifts, courtesies or entertainment are from a single source which may be considered as not a norm.
- g. In general, three sound principles to remember in deciding whether to give or accept business courtesies would be: "Would you be comfortable discussing the acceptance or giving of the gift with your manager, colleagues or a newspaper reporter?" and "Would you sincerely think you can be free from being obligated?" and "Would your conscience be clear?" If your answer is NO, then DON'T!

## C. PURCHASING AND PROCUREMENT PRACTICES

### i. Acting in DRB-HICOM' best interest

- a. Procurement shall be optimized, building long term partnerships with key vendors, suppliers and the requisitioning parties. Procurement of products, system or systems shall be carried out to the procurement and purchasing policies and procedures. The awards of contacts to suppliers/vendors shall be carried out in objective manner after thorough evaluation of their proposals, financial status, profile and performance as well as any other criteria that will assist the Company in making an objective decision.
- b. Purchasing decision must be made solely in DRB-HICOM' best interests. Suppliers win DRB-HICOM business based on product or service suitability, price, delivery and quality.
- c. Purchasing agreements should be appropriately documented to clearly identify the services or product to be provided, the basis for earning payment, and the applicable rate or fee. The amount of payment must commensurate with the services or products provided. Purchases must be wary of undue conditions imposed.
- d. Those involved in evaluating tenders will be required to adhere to a short edict – absolve from any conflicts of interest, keep all information confidential and not copy any documents, etc – or sign a declaration to that effect as part of Procurement and Purchasing governance requirement.
- e. All the business dealings with clients/suppliers shall be conducted in proper decorum, preferably, in meeting or conference rooms.
- f. All staff involved in procurement of one form or another must comply with the features of sound procurement practices as follows:
  - A level playing field (i.e. all vendors are treated equally and all are afforded the same information at the same time);
  - Confidentiality (i.e. ensuring that no information leaks during the procurement process);
  - No conflict of interest through relationships, receipt of gifts etc. To ensure no favoritism amongst vendors;
  - No overlapping of conflict - a staff involved in procurement cannot be placed to be signatory for any cheque/payment to be made;
  - More than one bidder, as competition between two or more suppliers results in lower prices for the Company;
  - Transparency, which ensures that the procurement process is auditable and justifiable, and stand up to scrutiny;

- Tracks records of contractors or suppliers performance should be relied upon;
- More than one DRB-HICOM staff and function are involved, which ensures counter check on the staff and visibility that the decision is not made by one person;
- Getting the best deal for the Company in all aspects and the process can stand up to scrutiny by any party, even well after completion; and
- The Procurement Department and the end user must carry out any negotiation with vendor. The end user is not allowed to negotiate prices with vendor on his/her own.

ii. **Improprieties or potential thereof**

- a. Any conflicts of interest (or potential thereof) though relationships or friendships with people in other companies invited by us to tender for any project must be declared to the Office of GMD. This covers staff that has relatives or friends working for the vendors/suppliers. At times, the calls for non-participation of the staff concerned in the tendering or procurement process.
- b. The Office of GMD should be informed of any evidence or suspicion of improper behavior during the tender process or after its award.
- c. Staff not involved in the purchasing or tender exercise is prohibited from accessing any from information on the subject.

iii. **Business courtesies by vendors or suppliers**

- a. It is at times, difficult to refuse a vendor or supplier's instance in paying for a meal or a drink especially in instances where after meetings or discussions, a quick trip to the stall or restaurant is common.
- b. The key question is whether the staff feels "obligated" by the "hospitality" or "mild social courtesy". As soon as this moves to something that could influence the staff in favor of the vendor in the decision-making process, in the line must be drawn and the interested parties withdrawn.
- c. Similarly the Office of the GMD must be reported of any approach by a vendor, which goes beyond the normal bounds of courtesy or offer or receipt of gifts, and any potential conflict of interest.

iv. **Commitment on behalf of the company**

- a. It is imperative that any monetary commitment done on behalf of the Company must be in accordance with the limits of authority. Management will view violation of his/her authority seriously and any non-compliance will result in severe disciplinary action.

- b. All staff must know that the authorization and approval of the budget/operating plan is not *per se*, the authorization to spend the amounts. Approval to incur the expenditure is still required even though it is budgeted for.
  - c. An approved expenditure for an item cannot be maneuvered to cover any other items that had not been part of the approval.
  - d. No single employee can approve a requisition, place an order, receive goods or approve an invoice for payment all by him or herself. Likewise, no individual is allowed to approve his/her own claims or expenses for payment.
  - e. No employee is permitted to fragment or break down the total value of commitment i.e. purchase or contract, into smaller orders to avoid approval by higher approving authority.
  - f. An employee can only delegate his or her limits of authority to line subordinates in the functional area that he/she is responsible for, with specific deliverables. A line subordinate who has been delegated authority is not necessarily allowed to further delegate the authority given to him/her.
  - g. Delegating of jobs does not dilute the accountability of the superior.
- v. **Commitments by resignees and consultants disallowed**
- a. An employee who has given notice to resign, retire or leave service or is serving the notice period, or any staff who is within one month of the end of his/her assignment/contract, is allowed to make any commitments on behalf of the Company, unless specified otherwise.
  - b. Non consultants (i.e. a person who is not a full-time DRB-HICOM employee or a full-time secondee from an investor's Company) are allowed to make approve any commitment on behalf of the Company.
- vi. **Handling cash and Company monies**
- a. All instructions on how to handle cash and other Company funds that we are responsible for must be complied with. We will not use, divert or conduct any other transactions with those funds except strictly for authorized proposes. We will maintain tight control over the funds we are responsible for, and report any non-compliance immediately to the appropriate channel.
  - b. We will ensure all transactions are accurately reflected in all the financial records. DRB-HICOM's book and records shall not contain any false, incomplete or misleading information. All payments must be made for the purpose sated. The Company's financial records will conform to generally accepted accounting principles with all assets accounted for.

#### **4. OTHER EXTERNAL PARTIES AND US**

##### **A. SAFEGUARDING OUR REPUTATION**

We shall continue to uphold our integrity and credibility and not allow ourselves to be tainted by any form of impropriety be it at workplace or in any business relationship. Similarly we have to accord mutual respect to all parties but we must be alert to potential pitfalls. More importantly, we must always comply with requirements of the laws and regulations and ensure that our decision-making process is always professionally and objectively undertaken. At all times, we shall refrain from involving ourselves in any situation conflict of interest. As representatives of the Company, employees have to maintain the proper decorum and conduct ourselves ethically and not bring the Company into any detriment. It is our duty to safeguard the interest of the company.

It is our privilege to be in this organization and our right to make DRB-HICOM Berhad the organization of choice.

##### **B. GOVERNMENT AGENCIES**

###### **i. Dealings with government officials and contracts**

- a. DRB-HICOM employees who deal with government officials and involved in government contracts are responsible for knowing and complying with applicable laws and regulations. At all times we must not harm the relationship with the government offices or departments.
- b. Within bounds that we subscribe to, DRB-HICOM employees are expected to cooperate with reasonable request for the information from government agencies and regulators, and to consult with the relevant DRB-HICOM divisions before responding to any non-routine requests. All information provided must be correct and accurate. We will not alter, obscure or destroy any documents or records in response to an investigation or other lawful request.

###### **ii. Offers and unlawful payments are disallowed**

- a. DRB-HICOM employees will not directly or indirectly offer or make any unlawful payments to government officials, including employees of statutory bodies and state-owned enterprises.
- b. This requirement applies both to DRB-HICOM employees and agents, such as dealers, irrespective of geographical location.
- c. Before considering the appointment of any agents, make sure that they are reputable and agree in writing to DRB-HICOM's standards in this area.

## **C. COMPETITORS**

### **i. Competitors' proprietary information, trade secret, etc.**

- a. We will not steal or attempt to obtain by illicit means proprietary information or passes trade secret information that was obtained without the owner's consent, or illegally induce such disclosures by past or present employees of other companies.
- b. If information is obtained by mistake that may constitute a trade secret or confidential information of another business, or if we have questions about the legality of information gathering, we should consult the Legal Affairs Department.

### **ii. Maintaining ethical practices in a competitive environment**

- a. We must never use illegal or unethical methods to gain competitive advantage (including in obtaining information about our competitors).
- b. We will sell DRB-HICOM's product and services fairly and honestly, stressing their quality and value.
- c. We will not use tactics that unfairly undermine the products of a competitor (in advertisements, demonstrations or by disparaging comments or innuendoes).
- d. Comparative advertising may only be used when comparing DRB-HICOM's products against the competitor's own statements about their products.

## **D. MEDIA**

### **i. Queries from media or third parties**

- a. Any dealing with the media should be handled or referred to the Public Affairs and Investor Relations Division to ensure professional and consistent communication response. It is easy at times to volunteer information about the Company in the spirit of being cooperative. To avoid misinterpretations, it is always safer to let the experts or those authorized by the Company to handle such situations.
- b. Request from financial analysts and shareholders should also be treated in the manner.

### **ii. General communication**

Effective communication is the key to our business's efficiency and profitability both within the organization and between our organization and its customers. Hence employees are encouraged to:

- a. Consult and listen to the view of those directly affected by a decision, and to take that view into account, when making further decisions. Wherever practical;
- b. Give feedback so our communication performance can be improved; and

- c. Accept responsibility for the quality of communication with the customers. Each contact with a customer in person, on the phone or by mail, is to be regarded as an opportunity to improve the quality of communication (both style and content) between DRB-HICOM and the people whose needs we serve.

**E. POLITICAL PARTIES, NON-GOVERNMENTAL ORGANIZATIONS (NGOs) AND NON-PROFIT ORGANIZATIONS (NPOs)**

DRB-HICOM recognizes its role in the creation of stakeholder value and in the exercise of corporate social responsibilities; it shall deal with this matter using the best situational judgment.

**i. Political involvement**

- a. Holding any political positions or standing for elections;
- b. Competing for any position in any political party;
- c. Becoming an election agent for any candidate;
- d. Soliciting for votes for any party/person;
- e. Publishing or circulating any book, magazine or pamphlet; and
- f. Making any public statement, verbally or written.

Management staff and Executive who are on annual leave prior to going for retirement are allowed to take part in active politics after obtaining written approval from the GMD.

Non-Executive employees may stand for election or hold political position after obtaining the written approval from the GMD.

**ii. Contributions to NGOs and NPOs**

- a. In cases of NGOs and NPOs, any contributions to be made on behalf of DRB-HICOM must have prior written approval of Public Affairs and Investor Relation Division.
- b. Although the Company supports employees' involvement in such organizations, it has to be your own time and at your own expense.

## 5 FINAL WORD

### A. EXPECTATIONS OF A DRB-HICOM EMPLOYEE

Whilst we attempt for the Code of Ethics and Business Practices to be comprehensive, there may be certain omissions or inadequacy in the provisions. Notwithstanding, this DRB-HICOM employees are required to comply with all applicable laws and regulations wherever we do business. Perceived pressures or demands from supervisors or business conditions are not excuses for violating the law or the DRB-HICOM Code of Ethics and Business Practices. In addition, all employees are expected to carry himself with full accountability as a responsible employee at all times even if confronted by circumstances not covered by the Code.

An employee who is found to breach the Code will be subjected to disciplinary action, which may include dismissal.

### B. CONSULT THE LEGAL AFFAIRS DEPARTMENT / COMPANY SECRETARY

If you have any questions or concerns about the lawfulness of an action or activity including insider trading laws, please consult the Legal Affairs Department of the Company Secretary.

### C. CONSULT THE OFFICE OF THE GMD

If you have any doubts about the appropriateness of business practice or conduct, please consult Management, or the Office of GMD.

### D. CONSLUT YOUR IMMEDIATE SUPERVISOR AND MANAGER

If you have any questions about the DRB-HICOM Code of Ethics and Business Practices, your first point of contact is your immediate supervisor or Manager. They will be able to engage in discussions with you about the Code and the advice you accordingly.

### E. PREPARING YOURSELF FOR AMBIGUOUS SITUATIONS

It would be wonderful if the right to do were always perfectly clear. In the real world of business, however things are not always obvious. If you find yourself in a situation where the “right thing” is unclear or doing the right thing is difficult, ask yourself these key questions:

- i. *Dose my action reflect DRB-HICOM’s core values of integrity and respect?*
- ii. *Is my action in conflict of interest?*
- iii. *Can my action bring adverse implication or harm to me, my employer, other employees, customers, shareholders, public government, business partners or competitor?*

*Remember: if you would not want your action to appear in the media, it is probably not the right thing to do.*

**F. IT IS EVERYONE’S RESPONSIBILITY**

DRB-HICOM recognizes the importance of values and each individual’s contributions to the Company and the communities which we operate. We take our work and our responsibilities seriously, and we are proud of the high quality of our products and service and DRB-HICOM’s reputation. The standards set forth in the preceding pages should help all of us to maintain a work environment conducive to high performance. DRB-HICOM’s success comes down to each one of us conducting ourselves responsibly, ethically, with respect for one another, and with unfailing honesty and integrity.

**G. PROTECTION OF INFORMER/ WHISTLER-BLOWER**

If you feel that any time that your ethics could be view as a deviation from DRB-HICOM Code of Ethics and Business Practices, it is important that you immediately inform your superior or human resource personnel. Similarly, if you have reasons to believe that the ethics of another have violated the Codes; you are required to inform your superior or human resource personnel personally in order to warrant an investigation. Clean and honest prevail once we all recognize and support the need to remove unethical conduct. It is therefore vital for all parties to monitor and report such conduct to the Office of the GMD. The organization makes it clear that it detests unhealthy practices of mischief-makers and business rogues and is prepared to take necessary actions against these elements.

A central reporting authority is establish at the Office of the GMD to look into reports and feedbacks not attended to by the receiving superiors or departmental heads within seven working days upon receipt of such information.

Anonymous reporting n any infringement of the Codes by another will not be entertained. The information and the identity of the informer shall remain confidential in our effort to address their concerns and work with them towards a resolution. Under no circumstances will the Company put the informer in a predicament for stepping forward to make a good-faith report to the Company.

If you have any questions about the DRB-HICOM Cede of Ethics Business Practices or its policies and procedures, please consult your superior or Human Resources and Administration Division who will assist you or channel your inquiries to the most appropriate parties.

## **Appendix 1**

### **DISCIPLINARY PROCEDURE**

DRB-HICOM may impose any one or a combination of the following disciplinary actions against any employee in the event of misconduct:

- i. Give the employee verbal or written warning;
- ii. Suspend the employee with or without pay for a period to be determined by the management;
- iii. Withhold the employee's increment for a period to be determined by the Management;
- iv. Stop the employee's increment for a period to be determined by the Management;
- v. Defer the employee's increment for a period to be determined by the Management;
- vi. Stop payment of bonus if such bonus is declared;
- vii. Demote the employee;
- viii. Terminate his service; and
- ix. Summary dismissal.

If you have any requires, please consult the Human Resource and Administration Division for details of the above disciplinary procedures.

DECLARATION

I hereby acknowledge that I have received the DRB-HICOM Code of Ethics and Business Practice. It is my sole duty and responsibility to read and understand the Code of Ethics and Business Practice, which is an integral part of my Terms and Conditions of Service. If I do not understand any of the provisions or need clarification, I will refer to my superior or Human Resource & Administration Division.

I shall conduct myself with complete integrity and be true to the spirit of DRB-HICOM Code of Ethics and Business Practice in the daily execution of my daily duties and assignments.

I undertake that I will abide by the Code of Ethics and Business Practice and if for any reason(s) I do not comply to any of the provisions in the Code of Ethics and Business Practice, I shall not cite ignorance or lack of understanding as my self defence and agree that the Management has the absolute right to take action due to any violations of the provisions.

I fully understand that the Management has the absolute right to add new provisions, amend or delete existing provisions as and when necessary.

Signature of Employee : .....

Name of Employee : .....

Staff Number : .....

Department/Division/  
Business Entity : .....

Date : .....

- Please return this section to Human Resource & Administration Division for record purposes.