



**ELSOFT RESEARCH BERHAD (617504-K)
(Incorporated in Malaysia)**

CODE OF CONDUCTS

INTRODUCTION

- 1.1 This Code of Conduct (the “Code”) sets out the principles and standards of business ethics and conduct of the Group. Directors and employees of the Group shall not depart from the guiding principles contained herein in conducting the day-to-day duties and operations of the Group.
- 1.2 The Code is applicable to all employees (including full time, probationary, contract and temporary staff) and Directors of the Group.

OBJECTIVE

- 2.1 The objective of the Code is to assist the Directors and employees in defining ethical standards and conduct at work. The Code is not intended to be exhaustive and there may be additional obligations that the Directors and employees are expected to behave or conduct when performing their duties.
- 2.2 All Directors and employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties. Violation of any of the Code’s provisions can result in disciplinary action, including termination of employment.

CONFLICT OF INTEREST

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

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

CONFIDENTIAL INFORMATION

- 4.1 All Directors and employees are required to exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group which is acquired in the course of their employment and are strictly prohibited to disclose to any person, unless the disclosure is duly authorised or legally mandated.
- 4.2 In the event that a Director or employee knows of a material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director or employee involved until it is publicly released.

GIFTS

- 5.1 No personal gifts, favours, entertainment or services, in cash or kind, that will or will appear to influence objective and fair business decisions, will be accepted or provided.
- 5.2 The gifts, favours, entertainment or services that are deemed as not given to influence the Directors' or employees' performance of duties include normal business courtesies (meals or entertainment), token gifts which are occasional, gifts during festive or special occasions and gifts from social functions attended by the Directors or employees on behalf of the Group, are permissible.

GROUP ASSETS AND FUNDS

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

COMPLIANCE TO LAW

- 7.1 The Group is subject to local, state and federal laws and all Directors and employees have a duty to act within these laws.
- 7.2 No Director or employee can be directed to carry out an illegal act, and no Director or employee can justify an illegal act by claiming to be acting under the order of a superior/upper management, or to be simply complying with a certain policy or instruction.

INSIDE INFORMATION AND SECURITIES TRADING

- 8.1 No Director or employee shall use price sensitive non-public information, which can affect the prices of the securities of the Company when it becomes publicly known (“Inside Information”) for personal benefit. Directors and employees are prohibited to trade in securities or to provide information to others to trade in securities of the Company until the Inside Information is publicly released. Directors or employees shall also not trade in securities in any other companies where they have Inside Information which they obtain in the performance of their duties.

HEALTH AND SAFETY

- 9 The Group will use its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices to commensurate with the nature of the Group’s business and activities. Such a commitment in return requires all Directors and employees understand and abide by the Group’s policies and procedures.

HARASSMENT IN THE WORKPLACE

- 10.1 The Group will not tolerate any form of harassment by any Director or employee in the workplace. Any questions concerning issues of such should be directed either to the employees’ superior or the Human Recourse Department. All such reports and complaints shall be treated with the strictest confidence.
- 10.2 Any person suspected to have committed criminal harassment will be handed over to the relevant authorities.

BUSINESS CONDUCT

- 11.1 **Outside Interest**
Directors and employees shall not engage in an outside interest that will undermine the performance of the Directors and employees or bring disrepute to the Group.
- 11.2 **Fair and Courteous Behaviour**
All employees are to treat their fellow employees fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability and shall not create any form of discrimination or prejudice in the work place.
- 11.3 **Misconduct**
No Director or employee is to be involved in or abet any activity that is deemed by the Group to be an act of misconduct (include use and abuse of drugs).

CYBERSPACE ABUSE AND SOFTWARE PIRACY

- 12.1 The Group will not tolerate any form of abuse of cyberspace.
- 12.2 Directors or employees who have access to emails or internet access provided by the Group are required to use such services exclusively for work, business and matters of the Group. The use of such services for personal reasons is not permitted.
- 12.3 The Group forbids the use of pirated software in its computers and IT facilities. The relevant departments and operations of the Group are expected to local copyright laws and to reasonably ensure that any software used is a fully licensed product.

GUIDELINES TO IMPLEMENTATION AND COMPLIANCE

- 13.1 Chief Executive Officer and Heads of subsidiary companies shall oversee the communication, implementation and compliance of these principles and rules in their respective organisations.
- 13.2 All Directors and employees are to have free access to this document and must be conscious that contravention of these principles and rules on their part will result in appropriate disciplinary action.

REVIEW OF THE CODE

- 14.1 The Board will monitor compliance with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate.