



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

CODE OF CONDUCT

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, shall be given, offered, solicited or accepted.
- 5.2 However, the Group does not prohibit normal business hospitality, token gifts and favours as long as it is customary, reasonable, appropriate, and transparent and provided that the monetary value does not exceeds RM500 in aggregate as outlined in the Group's Anti-Corruption and Bribery Policy.

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

- 9.1 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.

A SAFE AND FAIR WORKPLACE

- 10.1 The Group is committed to providing a safe environment at work for all its employees free from harassment and discrimination on any ground where all employees treat each other with respect.
- 10.2 **Prohibition Against Harassment**
- 10.2.1 The Group will not tolerate any form of harassment in the workplace. The Group prohibits conduct that constitutes or that could lead to or contribute to harassment based on gender (whether or not of a sexual nature), race, colour, national origin, religion, age, disability, sexual orientation and gender identity. Harassment does not require an intent to offend. Thus, inappropriate conduct meant as a joke, a prank or even a compliment can lead to or contribute to harassment.
- 10.2.2 Examples of prohibited conduct include, racial or ethnic slurs, threatening or intimidating acts directed at an individual because of his or her gender or sexual orientation, the posting or distribution of hostile written or graphic materials aimed at a particular sex or religion, the use of computers (including via the Internet) or the e-mail system to view or distribute racially or sexually offensive communications, and the use of an employee’s home computer to send racially or sexually offensive communications to another employee at work.
- 10.3 **Sexual Harassment**
- 10.3.1 No employee, male or female, should be subjected to any form of sexual harassment. The Group views sexual harassment as a serious misconduct and will not be tolerated.

- 10.3.2 The Group treats all incidents seriously and any person found to have sexually harassed another will face disciplinary action, including dismissal from employment.
- 10.3.3 All complaints of sexual harassment will be taken seriously and treated with respect and in confidence. No one will be victimised for making such a complaint.
- 10.3.4 For the purpose of this Code, sexual harassment means any unwanted conduct of a sexual nature having the effect of verbal, non-verbal, visual, psychological or physical harassment and sexual assault:
- that might, on reasonable grounds, be perceived by the recipient as placing a condition of a sexual nature on her/his employment; or
 - that might on reasonable grounds, be perceived by the recipient as an offence or humiliation or a threat to his/her well-being, but has no direct link to her/his employment.
- 10.3.5 Forms of Sexual Harassment:
- Verbal harassment example, offensive or suggestive remarks, comments, jokes, jesting, wolf whistles or sounds, crude and rude questioning.
 - Non-verbal/gesture harassment example, leering or ogling accompanied with suggestive overtones, licking lips or holding or eating food provocatively, hand signal or sign language denoting sexual activity, persistent flirting.
 - Visual harassment example, showing of pornographic materials, drawing sex-based sketches, writing sex-based letters, or e-mail depicting sexual content or harassment that is unsolicited.
 - Psychological harassment example, repeated and unwanted social invitations, relentless proposals for dates or physical intimacy.
 - Physical harassment example, inappropriate touching, patting, pinching, stroking, brushing up against the body, hugging, kissing, fondling.
- 10.3.6 All sexual harassment is prohibited whether it takes place within the workplace or outside, including at social events, business trips, training sessions or conferences sponsored by the Group.
- 10.3.7 Any questions concerning issues of sexual harassment should be directed either to the employees' superior or the Human Resource Department. All such reports and complaints shall be treated with the strictest confidence.
- 10.3.8 Complaints Procedure:
- Employee raises complaint with his or her immediate superior or those in higher authority who will forward his or her case to Human Resource Department.
 - If complaint involves superior or those in higher authority, employee may raise complaint directly to Human Resource Department.
 - Human Resource Department will deliberate on the details of the case and if there are sufficient grounds to proceed, it should then proceed to investigate the complaint discreetly.
 - The investigation may lead to a domestic inquiry which may result in the dismissal of the employee who is found guilty of such misconduct.

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.