SUCCESS TRANSFORMER CORPORATION BERHAD

(200301034518) (636939-W)

CODE OF CONDUCT

Approved by Board : 26 May 2014
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1. INTRODUCTION

The Directors and Management of **SUCCESS TRANSFORMER CORPORATION BERHAD** together with that of its subsidiary and associated companies (collectively referred to as **"the STC Group"**) are committed to adhering to the best practice in corporate governance and observing the highest standards of ethics and professional conduct in the performance of their duties and integrity and behavior in all activities conducted by the STC Group including the interaction with its customers, suppliers, shareholders, employees and business partners, and within the community and environment in which the Group operates.

All employees of the STC Group play an important role in establishing, maintaining and enhancing the reputation, image and brand of the STC Group and ensuring the observance to and compliance with the standards and behavior that the STC Group is committed to. All employees require to display the highest levels of professionalism in all aspects of their work and comply with this **Code of Conduct** (**the "Code"**) and all applicable laws and regulations and other policies applicable within the STC Group.

2. OBJECTIVE

2.1. Purpose of the Code

2.1.1. This Code provides ethical and legal guidance to all the Directors, Management and/or employees of the STC Group (the "Affected Personnel") in the conduct of their work and business activities and that of the STC Group.

2.1.2. This Code provides a common behavioral framework for the Affected Personnel, irrespective of their specific job or location. However, it is not intended to be all-encompassing and there are areas in which the STC Group has developed or will develop specific detailed policies. This Code is to be read and applied in conjunction with such policies.

2.2. Applicability of the Code

2.2.1. This Code shall apply to the "Affected Personnel.

2.2.2. The standards set out in this Code extend beyond normal working hours, and apply to the Affected Personnel fulfilling their roles while on the business of the STC Group, including after-hours functions, conferences and social activities.

2.2.3. It is a condition of employment and/or appointment with the STC Group that all Affected Personnel comply with this Code and all applicable laws and regulations and other policies of the STC Group and failure to comply may result in the commencement of disciplinary proceedings that may lead to termination of employment and/or appointment.

3. GENERAL PRINCIPLES

3.1. Compliance with Laws

3.1.1. The STC Group operates in a highly regulated business environment and its activities are subject to numerous laws, regulations and licensing conditions. The Affected Personnel must ensure that they familiarize themselves with the laws, regulations and license conditions applicable to their activities. If in doubt, the Affected Personnel are obliged to seek for advice.

3.1.2. The Affected Personnel activities and the business activities of the STC Group must be conducted in absolute compliance with applicable laws and regulations.

3.1.3. The STC Group aims to provide a safe working environment for the Affected Personnel and for its customers and other business partners. The Affected Personnel must work safely and adhere to appropriate industry practices and laws to protect the health, safety and wellbeing of employees, customers and other business partners.

3.2. Confidentiality & Protection of Company Assets

3.2.1. The Affected Personnel must keep confidential all information that would reasonably be considered to be confidential, including but not limited to terms and conditions of contracts entered into by the STC Group, employee and customer details, performance and financial details and policies and procedures of the STC Group.

3.2.2. The STC Group will maintain the privacy of confidential information relating to the Affected Personnel and customers.

3.2.3. Assets and confidential information should be fully protected and must not be used by the Affected Personnel for personal gain or for any other reason that is not in the best interests of the STC Group.

3.2.4. Misappropriation of property owned by the STC Group, the Affected Personnel, customers or suppliers will not be tolerated. Any misappropriation should be immediately reported and properly

investigated. Appropriate disciplinary and or legal action will be taken.

3.2.5. Those who have left the company are expected to maintain confidentially of proprietary and sensitive information acquired in the cause of employment with STC.

3.3. Reporting Non-Compliance

3.3.1. The Affected Personnel are obliged to report genuine suspicions of non-compliance with this Code.

3.3.2. The reporting of non-compliances with this Code may either be made to the appropriate supervising manager and/or Board of Directors or may be done in accordance with the Whistleblower Framework and Policy which shall be a safe environment in which to speak up without fear, reprisal or victimization.

3.4. Fair Dealing

3.4.1. The aim of the STC Group is that it provides an environment in which all the Affected Personnel, customers, suppliers and other business partners are treated fairly and equitably irrespective of, amongst others, sex, race, sexual orientation, age, disability, and religion or ethnic origin. The Affected Personnel are required to conduct themselves and the business activities of the Group a s to facilitate these aims being achieved.

3.4.2. The STC Group will compete effectively and fairly in the markets in which it operates. It will be honest, ethical and responsible in the way it presents products and services to its customers, uses its market power and its pricing practices.

3.4.3. STC Group will be fair, honest and transparent in its relationship with suppliers and contractors from selection through to payment and termination of the relationship.

3.4.4. All commercial transactions will be properly and accurately recorded and documented.

3.4.5. Corrupted practices, whether directly or through intermediaries, are unacceptable. No bribes or improper payments, gifts or inducements will be made to, or accepted from, any party, irrespective of local business custom and practices. However, in recognition of the reality of commercial and business practices, the STC Group acknowledges that modest gifts and reasonable entertainment are acceptable as part of the normal course of business provided that

such gifts or entertainment are not supplied, or received, in circumstances indicating an inducement or reward has been given, or received. During festive seasons or special occasions, subject to Head of Office endorsement and Director's approval, whereby distribution of such gifts to business associates are customary.

3.4.6. Solicitation and acceptance of brides in any form or manner are serious misconducts which may results in termination of employment.

3.5. Conflicts of Interest

3.5.1. Affected Personnel are to act in the best interests of the STC Group.

3.5.2. Affected Personnel must not engage in activities that directly or indirectly involve, or could appear to involve, a conflict between their personal interests and the interests of the STC Group.

3.5.3. Areas where conflicts might arise include: substantial share ownership in competing organizations, direct or indirect personal interest in contracts, dual employment with outside organizations or seeking or accepting gifts or entertainment beyond levels considered reasonable in the business environment of the STC Group.

3.5.4. Any actual or potential conflicts of interest are to be fully disclosed to appropriate Management and/or Board of Directors and where such circumstances are permitted by management and/or the Board of Directors to continue, shall not be deemed a breach of this Code.

3.6 Insider Trading

3.6.1. Insider Trading is illegal by law. It can take many forms. This includes the use of or disclosure of price sensitive information for personal benefit or for the benefit of others. Employees holding positions which allow access to price sensitive information should observe the Company law, Securities Commission regulations, Bursa Malaysia Securities Berhad and other applicable laws in respect of trading in the securities of the Company.

3.7 Money Laundering

3.7.1. It is the policy of the Company to prohibit and prevent money laundering and any activity that facilities money laundering or the funding of terrorist or criminal activities by complying with all the relevant law, rules and regulations.

3.8 Preventing the abuse of power

3.8.1. Affected Personnel shall never abuse their position to withhold assistance nor give preferential treatment in order to solicit gift payments or personal gains of any kinds.

3.8.2. Affected Personnel shall treat all work colleagues fairly and with respect.

3.8.3. Respect and promote fundamental human rights without discrimination of any kind and irrespective of social status, race, religion, gender, age and marital status.

3.8.4. Any violations of these standards are immediately reported to senior Management or director.

4. SPECIFIC PRINCIPLES

4.1. Employees

4.1.1. STC Group envisages itself as an equal opportunity employer and aims to:-

- make human resource decisions on the basis of merit with the information available to it, including the possession of skills, experience, qualifications and characteristics relevant to the performance of work;
- ensure unlawful discrimination does not occur in the workplace or in circumstances arising out of the employment relationship;
- maintain a workplace free from sexual harassment, unfair discrimination or other offensive conduct; and
- promote a work environment in which individuals have the opportunity to develop and realize their full potential.

4.1.2. An employee who is found to be in breach of this Code, other STC Group policies or applicable laws and regulations will be subject to disciplinary action. Inappropriate conduct or performance, or non-compliance issues will be brought to the attention of the employee who will be allowed to respond to any allegations. Except in the case of summary dismissal for serious misconduct, employees should be given a reasonable chance to remedy the inappropriate conduct or performance.

4.1.3. Any grievances with respect to an employee's employment, treatment, the action of other staff members, customers or suppliers or compliance with this Code or other policies should be raised.

4.2. Know Your Customer and Proper Documentation

4.2.1. Employees are required to conduct due diligence on new customers, suppliers and business partners of the STC Group (including any intermediaries acting on behalf of such customers, suppliers and business partners) and monitor their activities to identify any issues of concern.

4.2.2. Employees are required to ensure that payments in respect of all transactions and business activities of the STC Group are properly documented to indicate that such payments are made to the proper party for legitimate purposes and in respect of which proper consideration has been received.

4.3. Occupational, Health, Safety & Environment

4.3.1. It is envisaged that the STC Group will conduct its business activities and operations in a safe manner and in an environment that prevents, to the extent possible, injury to the Affected Personnel, customers, suppliers and contractors.

4.3.2. STC Group endeavors to ensure that the STC Group will reduce the environmental impacts of its business activities and will seek to do this through continual improvement of environmental performance, protection and safety.

4.3.3. STC Group is committed to provide effective support and training for the employees of the STC Group to assist them in their responsibilities of ensuring a safe workplace and reducing the environmental impacts of their activities.

5. ADMINISTRATION

5.1. Continual Improvement / Amendment and Update

5.1.1. The appropriateness and effectiveness of this Code will be continuously monitored and appropriate agreed improvements and reporting procedures will be adopted where necessary.

5.1.2. This Code may be review annually and updated as required from time to time. The Affected Personnel will be required to comply with the Code as updated and/or modified from time to time.

5.1.3. Amendments and/or modifications to this Code must be first approved by the Board of Directors.

5.1.4. All updates, additions and amendments are to be communicated to the Affected Personnel.

5.1.5. All directors and employees of the Company are required to declare that they have received, read and understood the provisions of the Code of Conduct and agreed to comply with its term throughout their employment or tenure with Company.

6. REVIEW OF THE CODE

This Code established by the Board shall be periodically reviewed and updated by the Board taking into consideration the needs of STC Group and shall be made available on corporate website.