

AYS VENTURES BERHAD

Management Policy and Procedure Issue	:	AYS GROUP OF COMPANIES CORPORATE GOVERNANCE Policy And Procedure
Management Policy and Procedure Ref	:	Code of Business Conduct AYS/GRP/PN/PLC004(CG)/002-2018
Supersede	:	Code of Business Conduct Policy Dated 28 th May 2013 (Ref. No. AYS/GRP/PN/PLC004(CG)/002-2013)
Subject	:	CODE OF BUSINESS CONDUCT
Date of Issue	:	22 nd May 2018

Introduction

Vision and Mission Statements of AYS VENTURES BERHAD and its subsidiaries (“AYS” or “the Company”)

AYS’s Vision – To become a recognized leader in the steel distribution industry by being a first-choice supplier of steel and nonferrous products serving the needs of the engineering, fabrication and construction industry sectors

AYS’s Mission - Providing customers with quality products and services, broadening our product range and value added activities, assuming good corporate social responsibility and rewarding all stakeholders equitably

In the execution of our functions and bearing in mind our corporate Vision and Mission statements, we have to safeguard and protect AYS’s longstanding reputation as an ethical, reliable, and honest business entity.

The conducts of AYS’s employees reflect to a great extend its corporate image to the public. This Code of Business Conduct sets out certain fundamental commitments we make to each other, to our customers, to our shareholders, and to all who have a stake in AYS’s success.

No Code of Business Conduct can provide rules that cover every situation or challenge. This important document serves each of us as a guide to our ethical commitments and leads us to ethical decisions that ultimately benefit AYS’s stakeholders.

By keeping those commitments and making those decisions, we safeguard AYS’s solid reputation. It is this reputation that enables us to deliver on our mission with the honesty and integrity that our stakeholders expect.

Our Commitment to Honesty and to Each Other

We are honest and act with integrity.

This statement applies to everything we do at AYS. Our daily interactions should start and end with honesty and integrity. We hold ourselves and each other to a high standard of ethical behaviour. All our stakeholders - shareholders, customers, communities, suppliers, public authorities, our fellow employees - are able to trust what we say and do. We take personal responsibility for meeting the goals we share and keeping our commitments.

We treat each other with respect and do not permit intimidation, discrimination or harassment in the workplace.

When the actions of some cause others to feel intimidated, offended or to lose dignity, all of us suffer. We must treat each other courteously and professionally. We insist on a positive work environment, and speak out if that goal is compromised by anyone.

Discrimination and all unlawful harassment in employment is not tolerated. We encourage success based on our individual merits and abilities without regard to race, religion, gender, age, disability or marital status. We support and obey laws that prohibit discrimination everywhere we do business.

We support a work environment that is inclusive and diverse.

Differing viewpoints that we each bring to the workplace challenge us collectively to think more broadly, and allow us to be more creative in the products and processes we develop. We realize that the world we serve is diverse in its social customs and cultural traditions, and we respect and embrace those differences.

We create a safe and secure place to work.

The importance of working safely has been part of our heritage for over a quarter century. We promote safety to protect both our workforce and our customers. When public safety is at issue, we take reasonable precautions to safeguard the public. We keep up-to-date on laws, regulations and practices related to the safety and health of the workplace and our products and services. In addition, we do not tolerate or permit threats, violence or other disruptive behaviour in our work environments.

We respect privacy and confidentiality of others.

We respect the privacy and confidentiality of our employees, Directors, Counterparties, Business Partners and customers' personal data. Personal data shall be kept private and protected, unless access is granted for legitimate business purposes. Where an employee or Director has access to such data, they are required to comply with the applicable laws, such as Personal Data Protection Act, and also the Group's policies. Appropriate measures must be taken when dealing with personal data in terms of collection, processing, disclosure, security, storage and retention.

We guard against bribery and corruption.

We take a zero-tolerance approach towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all our business dealings and relationships wherever the Company operates, and implementing and enforcing effective systems to counter bribery and corruption.

The consequences of bribery and corruption are severe, and may include imprisonment for individuals, unlimited fines, debarment from tendering for contracts, and damage to the Company's reputation and therefore take our legal responsibilities very seriously.

We will not influence others or be influenced, either directly or indirectly, by paying or receiving bribes or kickbacks or any other measures that are deemed unethical or will tarnish the Company's reputation.

We will comply with all applicable anti-bribery and corruption laws and regulations and treaties in all countries in which the Company operates.

An employee or Director must not directly or indirectly be involved in any corrupt conduct, which include but not limited to the abuse of position/ authority and falsification of documents and must also refrain from any activity or behaviour that could give rise to the perception or suspicion of any corrupt conduct or the attempt thereof. Promising, offering, giving or receiving any improper advantage in order to influence the decision of the recipient or to be so influenced may not only result in disciplinary action but also criminal charges.

All Counterparties (when representing the Company) are under a duty not to promise, offer or give any improper advantage on behalf of the Group. Directors and Employees must endeavour to ensure that these Counterparties do not promise, offer or give any such improper advantage on behalf of the Company.

Our Commitment to Our Business and Our Shareholders

We work lawfully and in accordance with regulations that apply to us.

We are diligent about following the laws and regulations that relate to our business. There are no shortcuts. We do not expose the business to fines or loss of reputation by failing to follow any rules that may apply to us. The Company's internal policies and procedures support and clarify these laws and regulations, and facilitate our compliance. We offer and receive training as appropriate to enhance our understanding, and monitor it for effectiveness.

We protect the Company's physical assets and intellectual property.

All of AYS's assets, from a physical asset such as building or a truck to an intellectual property asset such as a patent or trademark, are essential tools for our success. We focus on being good stewards of the assets we use every day. We are personally responsible for the proper use of the Company assets in our care and preventing their loss. This includes protecting ideas, research, inventions, proprietary information, and the AYS brand itself.

We avoid and resolve conflicts of interest.

When acting on behalf of AYS, we put the Company's interests ahead of our own personal gain. This means we do not allow our own interest or our family or other relationships to influence the decisions we make on behalf of the Company. Conflicts of interest can undermine our business judgment, threaten AYS's reputation, and expose the Company to risk. We avoid conflicts of interest, disclose and resolve them promptly if they arise, and strive to avoid even the appearance of such conflicts.

We do not allow our business decisions to be influenced by gifts, favours, or hospitality from others. Accepting or offering gifts, favours or entertainment can create a conflict, result in the appearance of a conflict, and in some cases violate the law. If we have any doubts, we seek guidance before accepting or offering any material gifts, favours or entertainment.

Our Directors and employees shall ensure that their personal business dealings with suppliers and customers are on an arms' length basis e.g. transactions which are on terms no more favourable than those offered to the public.

Personal investment decisions made by a Director or an Employee must not influence his/her independent judgement on behalf of the Company.

We manage the Company's records and information appropriately.

We create, use, retain and discard our business records and information in a careful manner. We follow the AYS Legal Counsel's instruction when records should be held for potential or pending litigation, investigations, or in response to court orders.

Our Commitment to Our Business and Our Shareholders (continued)

We use electronic communications responsibly.

Communication, in its many forms, including social media should be used professionally, appropriate and respectfully. The communications systems in place at AYS are primarily for business use. We may use these systems only occasionally for personal e-mail or Internet access, but we do not allow this use to be disruptive to the needs of the business. We do not use these systems to access or distribute obscene or offensive media.

We are consistent in our business practices across our global markets.

Our business is growing into many parts of the world. We are eager to understand the diverse economies, governments, and political climates and also the cultural and social characteristics of the countries we serve. This understanding will help us compete. While our goal is to conduct business consistently across the globe and in accordance with the principles of this Code, we adjust our practices to comply with the laws and requirements of our diverse markets. Thus, where local country laws are more stringent or differ from the provisions of this Code, those local laws prevail for employees working in those countries.

We strive to do business with ethical suppliers.

We try to do business with suppliers, third parties and business partners that enhance our level of service and provide products and services of quality. We seek suppliers who share our commitments to human rights (including labour rights), diversity and ethical and sustainable business practices.

Our Commitment to Our Customers

We follow ethical sales practices.

Our customers should always know we value them. We fairly represent our products and services to them. We listen to our customers, and challenge ourselves to find new ways to offer the best solutions available to help them communicate efficiently, sustainably and safely.

We earn and preserve their trust by treating them with honesty and integrity, and in a professional, courteous manner. We deliver what we promise. We do not provide goods or services that customers did not authorize.

Sometimes, our customers are our competitors and suppliers as well. In those situations, we serve them in the same professional manner we would extend to any customer.

We guard the privacy of our customers' communications.

We protect the privacy of our customers' communications. Not only do our customers demand this, but the law requires it. Consistent with this principle, although we comply with government requests for customer communications, we do so only to the extent required by law. Maintaining the confidentiality of communications is, and always has been, a crucial part of our business.

We protect the information about our customers that they entrust to us.

AYS possesses sensitive, detailed information about our customers, who rely on AYS to safeguard that information. Laws and regulations tell us how to treat such data. Any inappropriate use of confidential customer information violates our customers' trust and may also violate a law or regulation. Preserving our customers' trust by safeguarding their private data is essential to our reputation.

We comply with regulations that apply to governmental agencies.

Dealing with certain government entities requires adhering to strict and sometimes unique regulations. We are well trained about these rules, and we follow these regulations in our interaction with the government. We are committed to this enhanced level of diligence for these governmental agencies. We follow instructions to seek advice immediately from our internal experts whenever we are in doubt about any activity.

Our Commitment to Our Communities

We support community activities.

Everywhere we do business we try to participate in activities to make our communities better places to live, work and grow. We strengthen our communities by providing good jobs, donating our time and talents, supporting underserved populations and promoting education programs that create economic opportunity. Our own success can foster a better quality of life for others.

We support social and/ or political involvement.

AYS encourages us to participate in the social/NGO/political process. We vote, volunteer our time, contribute to the candidates we individually support, and hold political office. Because of laws governing the social/ NGO /political's election process, we conduct personal activities on our own time, and with our own resources. We comply with pertinent campaign laws where relevant.

We communicate honestly.

When questions arise about our business, whether from the news media or others, we provide answers to the public that are prompt and honest. These responses come through our senior leadership or through others who are authorized to speak to the public on AYS's behalf. When we release information about the Company to the public, we do it fairly and impartially, without favouring any individual or group.

We must be responsible for the environment.

We strive to minimize our environmental impact in ways that are relevant to our business and important to the communities we serve. We are deeply committed to environmental sustainability. By harnessing the scale of our network to deliver more sustainable solutions, we connect people and businesses seamlessly. That increases efficiency, reduces environmental impact and strengthens our connection to the world we all share. We are committed to taking meaningful steps to become more energy efficient and to engage our employees and suppliers in helping us reduce our adverse effect on the environment.

Our Commitment to Others

We maintain integrity in our financial reporting and business records.

For the sake of our stakeholders, we strive to generate reliable financial reporting and business records. We are committed to full, fair, timely, accurate, and understandable disclosure in the reports and documents we file or submit to the relevant stakeholders. We prepare our business records and financial reports with integrity and honesty, whether they are externally reported or used internally to oversee the Company's operations.

We report concerns about financial, accounting and auditing matters, as well as issues regarding business records, through the appropriate Company channels, which are described on the last page of this Code.

We do not engage in insider trading.

We must keep inside information confidential. Inside information is non- public information which is either owned by AYS or another person or entity. It may be known by some people, but not yet generally known by the public. It can be valuable to others, inside and outside AYS. Use of inside information for personal gain could result in jail time, fines, or both. If we have inside information about any company obtained through our positions at AYS – it may be about AYS, or a supplier, customer or competitor – we may not trade in any securities of that company or tell others to do so. The laws may extend even to inside information we gain accidentally through our positions, and to members of our families. We ask for advice on this issue from our AYS Legal Counsel, if we are in doubt about whether we possess inside information.

We support fair competition and comply with the antitrust laws.

AYS succeeds in the marketplace by competing aggressively but fairly. Our products and services stand on their own merits. We do not misrepresent the characteristics of our products and services, and we do not deceive our customers or engage in any other unfair practices.

AYS does not seek to eliminate or reduce competition through any illegal agreement with competitors. AYS will not agree with a competitor on the prices that AYS or the competitor will charge, the customers that AYS or the competitor will serve, or the services that AYS or the competitor will offer. In fact, all of these unfair practices should not be discussed at all with competitor.

Because our dealings with competitors are subject to particular scrutiny, we consult with our AYS Legal Counsel before any contact with a competitor, and we do not enter into an agreement with a competitor unless the agreement has been cleared in advance by AYS Legal Counsel.

The AYS Legal Counsel is ready to help us whenever we have questions about these complex issues. If we are in doubt about what is permitted under the antitrust laws, we seek advice from the AYS Legal Counsel.

We do not engage in money laundering and anti-terrorism financing

Money laundering is the process of hiding the true nature or source of illegally obtained funds (such as from the drug trade or terrorist activities) and passing it surreptitiously through legitimate business channels by means of bank deposits, investments, or transfers from one place (or person) to another.

Anti-money laundering provisions are designed to help prevent legitimate businesses from being used by criminals for this purpose, and to assist law enforcement agencies to trace and recover criminal assets and terrorist funding.

The Company prohibits the involvement of our employees and Directors in money laundering activities, either directly or indirectly. The activities may include, but not limited to the following:

- Payments made in currencies that differ from invoices;
- Attempts to make payment in cash or cash equivalent (out of normal business practice);
- Payments made by third parties that are not parties to the contract; and

Payments to or accounts of third parties that are not parties to the contract.

Our Commitment to the Code

We respect the Code, and apply it to our work every day.

As AYS employees, we are part of a long tradition of employees who have conducted ourselves in an ethical manner that reflects positively on the Company. We focus on doing the right thing – upholding our shared commitment to complying with laws, regulations and internal policies. Each employee is responsible for being familiar with the information in this Code, and for following the Code, and the Company’s policies and guidelines. We understand that violations may result in discipline, up to and including termination of employment.

We know that no one has the authority to direct any employee to violate the law, this Code, or any other AYS’s policies.

This Code applies to all employees of AYS and its subsidiary companies.

We cooperate with investigations to uphold the Code.

AYS investigates possible violations of the law and this Code, as well as important Company policies and any other behaviour that we believe could harm the Company’s reputation. We cooperate fully with the Company’s investigations in order to protect all the commitments we have made in this Code.

We know our reporting rights and responsibilities.

We report when we observe a violation, or what reasonably appears to be a violation, of the law, this Code or Company policies and guidelines. We use these reporting rights responsibly, without intending to harass others, or to report trivial matters. We do not knowingly and wilfully make false, fictitious statements or representations. We can raise questions or concerns, or make a report to our supervisors, any manager, Human Resources, Corporate Affairs or the AYS Legal Counsel.

If reporting to our supervisors or the resources above is uncomfortable, we can report to AYS Group Managing Director by leaving us your details and enquiries at email: **och@ays-group.com**, or in the case where reporting to Management is a concern, we can report to AYS Senior Independent Executive Director at email: **msharifusof@ays-group.com**, as appropriate.

In addition, if we have accounting or auditing concerns, we can find information at:

AYS VENTURES BERHAD (Investor Relations) web site, which is available on the AYS’s intranet.

We do not retaliate.

AYS does not tolerate retaliation against those who report suspected violations. Retaliation must be reported immediately to Human Resources so that the Company can investigate promptly and take appropriate action.

We know where to find additional guidance.

We can find more detailed information to help foster an ethical environment on AYS’s policies, guidelines, procedures and other information which is available with our Group Corporate Affairs.

I, _____, Identity Card No. _____ an employee of the [COMPANY NAME] do hereby acknowledge receipt of the “the **AYS VENTURES BERHAD** Code of Conduct”.

I have read and understood the contents therein and do hereby agree to comply with the “**AYS VENTURES BERHAD** Code of Conduct”.

Name

WITNESS

Date :