



(Company No. 217120- W)

(Incorporated in Malaysia under the Companies Act, 2016)

CODE OF CONDUCT & BUSINESS ETHICS

(Reviewed and Approved by the Board in October 2019)

OBJECTIVE

1.0 DIRECTOR'S AND EMPLOYEE'S PERSONAL CONDUCT

- 1.1 In line with good corporate governance practices, all Employees and Directors of the Group shall act with Integrity and Honesty while carrying out their duties where they shall be Accountable and not Act in a manner which could discredit the Company / Group in any manner.
- 1.2 Acting with Integrity means doing what is rightful. By acting with integrity, we reflect positively on the values and reputation of the Company / Group. We as Directors / Employees of this organization are obliged to do what is right for ourselves and for the Company. At all times, we must follow the law, act with integrity and honesty in all matters and be accountable for our actions.
- 1.2 All are expected to Understand & Comply with the Code of Conduct & Business Ethics "the Code" and the Laws of the Country where it operates in. Always use good judgment and avoid the appearance of improper behavior. Always consider your Actions and ask for Guidance and if in doubt about a course of conduct, always ask yourself these questions:
- (a) Is this in compliance with the Code?
 - (b) Is this ethical?
 - (c) Is this legal?
 - (d) Will it reflect well on me and the Company / Group?
 - (e) Would I want to read about it in the newspaper?
- If the answer is "**NO**" to any of these questions, don't do it. If you are still uncertain, SEEK HELP immediately from Legal Advisor in Human Resource Department. The Code tries to capture many Situations that employees might encounter during the course of their duties but it may not be able to address every circumstance. Therefore, seek clarification when you are unsure of any matter or action to be taken.
- 1.4 Directors, Senior Management, Key Officers, Managers and Head of Departments are expected to promote a Culture of Good Ethics and compliance to the Code and they shall at all times model the appropriate conduct. As a Manager / Head of Departments, you shall always: -
- (a) Ensure that your subordinates understand their responsibilities under the Code and other Rules & Company Policies;
 - (b) Make opportunities to discuss the Code and reinforce the importance of ethics and compliance with your subordinates;
 - (c) Create an environment where employees feel comfortable raising concerns without fear of retaliation;
 - (d) Consider conduct in relation to the Code and other Company policies when evaluating your subordinates;

- (e) Never encourage or direct employees to achieve business results at the expense of ethical conduct or the Code or the Law; and
 - (f) always act to stop violations of the Code or the Law by those you supervise.
- 1.5 As a Manager / Head of Department, you should always respond to Questions and Concerns, when approached with a question or concern related to the Code. Answer if you can, but do not feel that you must give an immediate response. Do not try to define the Code if you are not sure, seek help if needed. If an employee raises a concern that may require investigation under the Code,
- 1.6 Certain actions may require higher level approval depending on the seriousness and risk involved. Therefore, the Limit of Authority (LOA) on approvals required for specific transactions has been established to ensure proper approvals are being obtained prior to transaction being carried out. Always refer to the LOA to ensure you are authorized to give such approvals needed.

2.0 SCOPE AND COMPLIANCE

- 2.1 The Code of Conduct & Business Ethics applies to all Level of Employees and Directors within the Group.
- 2.2 The Code is designed to ensure consistency as to how employees conduct themselves within the Company, and in their dealings outside of the Company. The procedures for handling potential violations of the Code have been developed to ensure consistency in the process across the Group. No set of rules can cover all circumstances. These guidelines may be varied as necessary to conform to local laws or regulations.
- 2.3 The responsibility for administering the Code rests with Executive Directors & Senior Management with oversight by the Audit Committee. Executive Directors are task with the responsibility of reporting to the Audit Committee / Board on an annual basis on the compliance of the Code by all.
- 2.4 All Employees has the duty and responsibility to report of any incidences of non-compliance to the Code by any level of employees by informing the highest authority or by going through the Whistle Blowing System available on the Company's website.
- 2.5 The Company will not accept any part on non-compliance of the Code, Rules or Regulations. Code shall be enforced by investigating any reports of non-compliance and appropriate disciplinary action taken for breach of any part of the Code which can include termination of employment.

3.0 LAWS & REGULATIONS

- 3.1 All Directors / Employees **SHALL** and **MUST** observe the relevant Laws (local country laws) & Regulations applicable to the Group's business. As the laws and regulations that apply to the Group's business are numerous and often complex, therefore, in case of doubts, employees must seek guidance from the Group's Legal Advisor in the Human Resource Department of the Group.

- 3.2 In any circumstances, no Senior Management, Manager or Head of Department has the authority to require or approve any action that is in contrary or against any Laws, Regulations or the Code. If any employee is instructed by a Director, Senior Manager or Executive / Supervisor to do something which involves or appears to be involve in an illegal activity or a breach of the Code, he or she has the obligation to bring the matter to the attention of his or her immediate Superior or the next level of Superiors, or the Legal Advisor in the Human Resource Department of the Group on a confidential basis or otherwise through the Whistle Blowing Policy available on the Company's website which is confidential.
- 3.3 The Code absolutely prohibits retaliation against any employee for reporting, raising questions in good faith about possible violations of the law / regulations or any part of the Code. Whistle Blowers shall not be discriminated against in any manner. Correspondingly, action shall not be taken against anyone accused of wrongdoing before an accusation has been duly investigated and confirm of wrongdoings.
- 3.4 Employees are required to observe the highest ethical standards whenever doing business for the Company / Group and they should never compromise the Code for the sake of results under any circumstances.
- 3.5 Good judgment may be needed where observance of a local custom/law or practice would produce a result different from what is envisaged by the Code. In such a case, the person or employee should ask himself or herself whether he / she will be able to justify his / her actions. And if in dilemma and cannot be resolved, he or she must bring the matter to the attention of his or her Superior or if needed to the highest level of his/ her Superiors.

4.0 CONFLICTS OF INTEREST

- 4.1 The Code provides rules for some common conflict of interest situations. The Code cannot address every potential conflict of interest, so use your conscience and common sense. In any potential conflict of interest situation, ask yourself:
 - (a) Could my personal interests interfere with those of the Company?
 - (b) Might it appear that way to others, or what will be the perspective view of a third party?

And If still unsure, seek guidance from the Legal Advisor in the Human Resource Department of the Group.

- 4.2 Act in the best interest of the Company / Group while performing your duties / job at all times. A conflict of interest arises when your personal activities and relationships interfere, or appear to interfere, with your ability to act in the best interest of the Company / Group. Take particular care if you are responsible for selecting or dealing with a supplier on behalf of the Company / Group. Your personal interests and relationships must not interfere, or appear to interfere, with your ability to make decisions in the best interest of the Company. When selecting suppliers ensure to follow the Company's procurement guidelines at all times.

- 4.3 You may be employed outside the Company, as long as your outside employment does not interfere with your ability to perform your job with the Company but your employment policies and contracts, may contain some restrictions.

However, you cannot be employed by, or otherwise provide services or receive payment from, any customer, supplier or competitor of the Company / Group without prior written approval from the Human Resource Department.

Additionally, if you are in a Senior Level position in the Company, you will not be permitted to join a similar industry within the next 12 (twelve) months after your resignation or termination unless a written waiver on this is being given by the Management through the Human Resource Department.

- 4.4 If you are a Director in the Company or any of its subsidiaries you may serve as a member of the board of directors of another company with prior written information to the Chairman of the Board of Directors. However, a competitor in terms of products, services or market share to the Company or Group should be avoided at all cost. This should also be made known when informing the Board Chairman on the new director post being taken up.

- 4.5 Who are deemed as " Related " Under the Code:

On family: -

- (a) spouse;
- (b) parent;
- (c) child including an adopted child and step-child;
- (d) brother or sister; and
- (e) spouse of the person referred to in subparagraphs (c) and (d) above.

On related party: -

- (a) in relation to a corporation, means a director, major shareholder or person connected with such director or major shareholder;

(b) in relation to a business trust, means the trustee-manager, a director or major shareholder of the trustee-manager, a major unit holder of the business trust or person connected with any of the aforesaid persons;

(c) in relation to a closed-end fund, means the Managers, a director or major shareholder of the Managers or the closed end fund, or person connected with any of the aforesaid persons; or

(d) for the purpose of this definition, "director", "major shareholder" and "major unit holder" have the meanings given in Paragraph 10.02 of the Main Market Listing Requirements.

- 4.6 The obligation for disclosure of any conflict of interest in the Company / Group applies not only to situations directly involving any director / employee but also to situations involving family members or related party would have to be disclose. For the avoidance of doubt, this disclosure obligation extends to interest in suppliers, customers and other companies which have significant transactions or dealings with the Group.

4.7 The Malaysian Companies Act 2016 states that:

- (a) Employees who are also directors of a Group should be aware of the statutory requirement Under the Malaysian Companies Act 2016 to disclose their interest, direct or indirect in a contract or proposed contract with the Group;
- (b) In the context of this code, a company director means any person who holds the position of director in a corporation irrespective of any designation used, including anyone who follows the directives and advice of a corporate director and who usually takes action, as well as an in-turn or substitute director. A director also includes both executive and non-executive directors as well as executive and non-executive chairpersons;
- (c) The penalty for contravention of any Section of the CA is imprisonment for 10 years and /or a fine not exceeding RM3,000,000.00; and
- (d) In the performance of his /her duties, a director shall at all times observe the following codes.

Corporate Governance

1. Have a clear understanding of the aims and purpose, capabilities and capacity of the company;
2. Devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
3. Ensure at all times that the company is properly managed and effectively controlled;
4. Stay abreast of the affairs of the company and be kept informed of the company's compliance with the relevant legislation and contractual requirements;
5. Insist on being kept informed on all matters of importance to the company in order to be effective in corporate management;
6. Limit his / her directorship of companies to a number in which he/she can best devote his/her time and effectiveness; each director is his own judge of his abilities and how best to manage his time effectively in the company in which he /she holds directorship;
7. Have access to the advice and services of the company secretary, who is responsible to the board to ensure proper procedures, rules and regulations are complied with;
8. At all times exercise his /her powers for the purposes they were conferred, for the benefit and prosperity of the company;

9. Disclose immediately all contractual interests whether directly or indirectly with the company;
10. Not divert to his own advantage any business opportunity that the company is pursuing, nor may he/she use confidential information obtained by reason of his/her office for his own advantage or that of others;
11. At all times act with utmost good faith towards the company in any transaction and to act honestly and responsibly in the exercise of his/her powers in discharging his/her duties; and
12. Be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the company is at stake.

Relationship with Shareholders, Employees, Creditors and Customers

1. Be conscious of the interest of shareholders, employees, creditors and customers of the company;
2. At all times promote professionalism and improve the competency of management and employees; and
3. Ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

Social Responsibilities and the Environment

1. Ensure that necessary steps are taken in accordance with the law to properly wind-up or strike off the company register if the company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;
 2. Adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
 3. Ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
 4. Be proactive to the needs of the community and assist in society-related programs in line with the aspirations of a caring society; and
 5. Ensure that the activities and the operations of the company do not harm the interest and well-being of society at large and assist in the fight against inflation.
- 4.8 Requirement of declaration of directors' interest can also be found in the Constitution of Evergreen Fibreboard Berhad.
- 4.9 In Section 132E of CA 2016 requires all transactions on shares or property involving directors, including a chief executive officer, chief operating officer, chief financial controller or any other person primarily responsible for the operations or

financial management of a company, and persons connected with directors, employees who are also directors shall be aware of the need of shareholders' approval for substantial property transactions.

- 4.10 Section 197 of CA 2016 states that a person shall be deemed to be connected with a director if the person is "a member of the director's family" meaning the director's spouse, parent, child, including adopted child and stepchild, brother, sister and the spouse of the director's child, brother or sister".
- 4.11 Main Market Listing Requirements states that, a transaction which involves the interests, direct and indirect of a related party shall be announced or may need shareholders' approval as the case maybe.

5.0 RAISING CONCERNS

- 5.1 All Employees have the obligation to uphold ethical standards of the Group. If you happened to observe a behavior that maybe a concern or that may represent a violation of the Code, raise the issue promptly to your Superiors immediately. Doing so will give the Company an opportunity to deal with the issue(s) and correct it soonest possible, ideally before it becomes a violation of law or a risk to health, security or to the Group's reputation.
- 5.2 There are several options for raising issues and concerns, where an employee can report it to his/her Immediate Superior. However, if for any reason the employee is reluctant to do so, then the employee can and should raise his / her concerns in the following steps:

(a) Report (Verbally or Written) directly to the Executive Directors or call any Of these numbers directly if he / she prefers to be anonymous.

1. H/Phone: 65-96745419- (Mr. Kuo Jen Chang)

2. H/Phone: 6012-7978701- (Mr. Kuo Jen Chiu)

3. H/Phone: 6012-7178918 (Mdm. Mary Lim)

Or

(b) If he/she still fails to get any response, he/she can directly raise concerns to the Company Secretary by contacting 60-7-2226536 (Ms. Julie Leong) or write to her email at Julie.Leong@boardroomlimited.com .

Or

(c) Employees who may have concern about speaking to another member can also use the "Online Whistle Blowing "channel to raise his / her concerns. This channel of raising concerns is made available on the group's website at www.evergreengroup.com.my.

Or

(d) If these channels have been followed and employee still have unresolved concerns or if employee feel the matter is grave in nature and it cannot be discussed with any of the appointed persons above, he/she must contact the Senior Independent Director (Ms. Nirmala A/P Doraisamy) on her email her @ wbnimnd@gmail.com being the director identified to whom concerns may be conveyed.

(e) All complaint / reports of possible misconduct shall be taken seriously and will be investigated confidentially, determine whether the Code or the law has been violated and only then take appropriate action needed. If you become involved in an investigation, cooperate fully and answer all questions completely and honestly.

- 5.3 The Company values the help of employees who identifies potential problems that needs to be address. Any retaliation against any employee who raises an issue honestly, is a violation of the Code. When an employee has raised a concern honestly, or participated in an investigation, he / she cannot be the basis for any adverse employment action, including separation, demotion, suspension, loss of benefits, threats, harassment or discrimination.

If you work with someone who has raised a concern or provided information in an investigation, you should continue to treat that person with courtesy and respect.

If you believe someone has retaliated against you or someone else, report the matter to the Head of Human Resource Department immediately or through the “Whistle Blowing” channel on the Company’s website.

- 5.4 The Company shall protect any employee who raises a concern honestly, but it is a violation of the Code to knowingly make false accusation against a person (s), lie to investigators, or interfere or refuse to cooperate in an investigation being carried out. Honest reporting does not mean that you have to be right when you raise a concern; you just have to believe that the information you are providing is true and accurate.

Investigation of Potential Code Violations

- 5.5 The Company takes all reports of potential Code violations seriously and is committed to confidentiality and a full investigation of all allegations. Employees who are being investigated for a potential Code violation will have an opportunity to be heard prior to any final determination. The Company shall follow Investigation under its Disciplinary Procedures of each location.

Decisions

- 5.6 The Human Resource Department (Group Level) together with the Disciplinary Committee shall jointly make decisions about the disciplinary action for any Code violations and they may delegate certain categories of decision to higher management if so necessary. Those found to have violated the Code can seek reconsideration of disciplinary action decisions by writing to the Board of Directors.

Disciplinary Actions

- 5.7 The Company shall strive to impose discipline that fits the nature and circumstances of each violation of Code. Violations of a serious nature may result in suspension without pay; loss or reduction of merit increase, bonus or termination of employment. When an employee is found to have violated the Code, notation of the final decision, and a copy of any letter of reprimand, will

be placed in the employee's personnel file as part of the employee's permanent record.

Reporting of Code Decisions and Investigations

- 5.8 The Group Head of Human Resource periodically reports on all Code investigations and final Code investigations decisions, including disciplinary actions taken, to the Executive Directors and if needed to the Audit Committee of the Board.

6.0 DEALING WITH GOVERNMENT DEPARTMENTS

- 6.1 Transactions with government departments are covered by special legal rules and are not the same as conducting business with private parties. Consult the Legal Advisor of the Group to be certain that you are aware of, understand and abide by the legal rules.
- 6.2 In general, you are not permitted to offer any gratification to any government official directly or indirectly in return for favorable treatment in the process of carrying out your job as **"You Alone"** shall bear full responsibilities and the consequences to your actions.
- 6.3 In all circumstance, you **MUST** firstly ensure to obtain clarification and written approval from Company's Legal Advisor before giving anything to a government official. Secondly, ensure that such giving is properly recorded in the Company's financial books for its purpose.
- 6.4 A separate Policy on Anti-Bribery is to be establish with more specific guidance about payments to government officials and engaging third parties in view of the latest amendment to the Malaysian Anti-Corruption Commission Act which has been passed and has introduced a new Section 17A into the Act. All employees shall ensure to make themselves aware on the contents of this policy.

7.0 INSIDER TRADING AND MARKET ABUSE

- 7.1 An insider is an employee or a director who has access to price sensitive non-public information which could affect the price of shares of the Company when it becomes generally known. If any employee or director uses or provides such information for a profit or to avoid loss, his or her conduct is unlawful. Trading in stocks or securities based on material non-public information or providing material non-public information to others so that they may trade, is illegal and can result in criminal prosecution.
- 7.2 A Director or Principal Officer of the Company **MUST** comply with Chapter 14.05 the Main Market Listing Requirements in respect of dealings during the "Closed Periods" for trading of the Company's shares before the announcement of each quarterly result of the Group. Failing to comply, the Exchange under any written law in relation to the enforcement of this Requirements, may take or impose for a breach of the above Requirements include imposition of a fine or a jail term or both.

8.0 ANTI- BRIBERY AND CORRUPTION

- 8.1 A bribe is giving or offering to give anything of value to a government official to influence a discretionary decision. Examples of bribes include payment to a government official to encourage a decision to award or continue business relations, to influence the outcome of a government audit or inspection, or to influence tax or other legislation. Other payments to government officials also may constitute bribes in some jurisdictions.
- 8.2 “Anything of Value” This phrase literally means anything that might have value to a including cash, gifts, meals, entertainment, business opportunities, Company product, offers of employment and more. There is no monetary threshold; any amount could be construed as a bribe.
- 8.3 The Company and /or its employees can be held liable for bribes paid by a third-party agent or consultant acting on the Company’s behalf. Take particular care when evaluating a prospective third party who might interact with the government on behalf of the Company.
- 8.4 Refer to the Company’s Anti-Bribery Policy for more specific guidance about payments to government officials and engaging third parties and be aware of the Amendment to the Malaysian Anti-Corruption Commission Act (that is MACC) which has been passed and has introduced a new Section 17A into the MACC Act. The penalties, upon conviction for this act, may entail a fine ten (10) times the value of the gratification or RM1 million, whichever is higher, and/or a jail sentence not exceeding twenty (20) years.

9.0 POLITICAL CONTRIBUTIONS

- 9.1 The Company / Group may make contributions to political parties and organizations, provided that such payments are:
- (a) Made in accordance with the local / legal laws;
 - (b) Approved in accordance with the delegated authority and
 - (c) Properly recorded in the Company’s financial books.
- 9.2 The Group recognizes employees’ rights to participate as individuals in the Political process. However, when doing so, employee must ensure:
- (a) that they do so in their own time and using their own resources;
 - (b) any possibility of their views and actions being misconstrued as those of the Group rather than their own; and
 - (c) Those activities do not conflict with their duties and responsibilities to the Group.
- 9.3 The Company will not reimburse employees for personal political activities and
- (a) Shall not use the Company’s reputation or assets, including your time at work, to further your own political activities or interests;
 - (b) If you plan to seek or accept a public office, you must first obtain prior approval from the Human Resource Department; and
 - (c) Make sure that you do not use Company resources, including Company time, e-mail or/and the Company name, to advance the campaign.

10.0 CHARITABLE CONTRIBUTIONS

- 10.1 The Company / Group is can make contributions to charitable organizations and provide non-commercial sponsorships, provided that they are not made to secure any improper business or other advantage, do not give rise to any conflict of interest and are otherwise permissible under all applicable laws.
- 10.2 The Company / Group shall not make any charitable contribution unless they have taken steps to verify the recipient's reputation or status as a charitable organization. All charitable contributions and non-commercial sponsorships provided by the Company /Group must be recorded in the company's books of account and, where required by law, placed on the public record either by the company or the recipient.

11.0 ANTITRUST / COMPETITION LAW

- 11.1 Antitrust / Competition laws protect consumers from abusive practices. They help to ensure that the market works properly and that competition among companies is fair. The Group believes in free competition and as such it will compete fairly in the marketplace and comply with the applicable competition laws.
- 11.2 Employees are expected to be aware of and be fully compliant with the Policy No: EFB/QP/SDM-11 and the Competition Act affecting the Company and the Individual.
- 11.3 In the event that there is any doubt as to whether a particular business practice or activity will infringe any competition law or the Group's guidelines on fair competition rules, the matter should be referred to the Legal Advisor of the Group.
- 11.4 Competition laws may affect both horizontal activities among competitors and also vertical arrangements between a supplier and its customers. Examples of business practices and activities that Competition Laws covers:
- (a) Market sharing or division of markets - horizontal and vertical;
 - (b) Exchange of company's proprietary information among competitors regardless of whether the exchange is direct or through a trade association;
 - (c) Exclusion of an actual or potential competitor from a market;
 - (d) Selling products below its cost price;(to destroy another company / organization)
 - (e) Abuse of dominant market position or predatory behavior towards competitors;
 - (f) Fix prices (includes setting minimum/maximum prices or 'stabilizing' prices;
 - (g) Fix terms related to price, pricing formulas, credit terms, etc.; or
 - (h) Divide up markets, customers or territories e.g.: territorial or customer restrictions by which the supplier limits the territories into which, and/or the customers to whom, the distributor may resell the supplier's products.
- 11.5 Take care when dealing with competitors and gathering information about competitors. Various laws govern these sensitive relationships.

- 11.6 Employees are encouraged to collect, share and use information about our competitors, but to do so only in a legal and ethical manner. Just as the Company values and protects its own nonpublic information, we respect the nonpublic information of other companies.
- 11.7 It is acceptable to collect competitive intelligence through publicly available information or ethical inquiries. For example, you may gather and use information from sources such as: -
- (a) Publicly available filings with government agencies;
 - (b) Public speeches of company executives;
 - (c) Annual reports; and
 - (d) News and trade journal articles and publications.
- 11.8 You also may ask third parties about our competitors, or accept competitive Intelligence offered by a third party, as long as there is no reason to believe that the third party is under a contractual or legal obligation not to reveal such information.
- 11.9 The following are basic restrictions that apply to the ability to gather competitive intelligence: -
- (a) Do not engage in any illegal or illicit activity to obtain competitive information. This may include theft, trespassing, eavesdropping, wiretapping, computer hacking, invasion of privacy, bribery, misrepresentation or searching through trash;
 - (b) Do not attend discussions / meetings for market / price updates or having conference calls to discuss competitive information; and
 - (c) Do not accept, disclose or use competitive information that you know or have reason to believe was disclosed to you in breach of a confidentiality agreement between a third party and one of our competitors. Consult the Legal Advisor if you have any questions.

12.0 COMPANY'S SECURITIES PRICE (SHARE PRICE) SENSITIVE INFORMATION

- 12.1 No Director or Employee shall use non-public information, which can and may affect the prices of the securities of the Company when it has not become 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.
- 12.2 No information which are sensitive which can and may affect the prices of the securities of the Company may be released by any employee of the Group. The crucial issue in determining if any information is share price sensitive is whether it is of sufficient significance as to likely have affect the Company's share price. Such price sensitive information can and shall only be released by the Company Secretary of the Group or the Spokes Person for the Group after approval by the Board.

13.0 TRADE RESTRICTIONS

The Company and its Employees shall comply to all applicable trade restrictions and boycotts imposed by the Malaysian government. Such restrictions prohibit the Company from engaging in certain business activities in specified countries, or specified individuals or entities. These restrictions may include prohibitions on interaction with identified terrorist organizations or narcotics traffickers.

Employees involved in performing such transactions shall at all times abide to the restriction or prohibitions. If unsure, please refer to the Legal Advisor in Group Human Resource Department.

14.0 MONEY LAUNDERING

14.1 Money laundering is the process of concealing the identity of illegally obtained money so that it appears to have come from a lawful source or can be transformed from “dirty” money to “respectable” money or other assets. Most countries including Malaysia have imposed laws making it a criminal offence to engage in money laundering activity. Generally, such laws will make it an offence for any person or company to engage in transactions involving assets which they know are derived from criminal activity.

14.2 Money laundering is an offence under the Anti-Money Laundering Act 2001 (“AMLA”). Money laundering is defined under the AMLA to mean the act of a person who: -

- (a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity;
- (b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes, uses, removes from or brings into Malaysia proceeds of any unlawful activity; or
- (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 of an unlawful activity.

14.3 Any person who engages in or attempts to engage in; or abets the commission of money laundering commits an offence and shall on conviction be liable to a fine not and or to imprisonment or both.

14.4 The Group and its employees shall: -

- (a) not engage in any transaction which they know or suspect involves the proceeds of criminal activity;
- (b) not otherwise be knowingly involved directly or indirectly in any money laundering activity; and
- (c) pursue practices directed towards ensuring that their activities do not inadvertently contravene any relevant money laundering legislation.

15.0 SANCTIONS

- 15.1 Various sanction regimes exist throughout the world, ranging from comprehensive economic and trade sanctions to more specific measures such as arms embargo, travel bans and financial or diplomatic restrictions. Economic and trade sanctions may impact upon the businesses of the Group by restricting the extent to which they can operate within certain jurisdictions.
- 15.2 Employees are expected to be aware of, and fully compliant with the Malaysian Government recognition on sanctions regimes.
- 15.3 Employees involved in performing such transactions shall at all times abide to the sanction restriction imposed. If unsure, please refer to the Legal Advisor in Group Human Resource Department.

16.0 SEXUAL HARASSMENT / BEHAVIOR / MISCONDUCT

16.1 Sexual Harassment

Sexual Harassment in any form by a Director or an Employee is unacceptable. It is the Group's policy to provide all employees with a working environment free from any form of sexual harassment. Any questions concerning this issue should be directed either to the Employees' superior or the Head of Human Resource Department. All such reports and/or complaints shall be treated with strict confidence. A separate policy on Sexual Harassment has been established and maintained by the Human Resource Department as required by law.

16.2 Fair and Courteous Behavior

All Employees are required 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 workplace.

16.3 Misconduct

No Director or Employee shall be involved in or abet any activity that is deemed by the Group to be an act of misconduct (includes the use and abuse of drugs).

17.0 PRIVACY

The Company respects the privacy of all its directors, employees, business partners and consumers. Company shall handle personal data responsibly and in compliance with all applicable privacy laws.

Employees who handle the personal data of others must at all times: -

- (a) Act in accordance with applicable law;
- (b) Act in accordance with any relevant contractual obligations;
- (c) Collect, use and process such information only for legitimate business purposes;

- (d) Limit access to the information to those who have a legitimate business purpose for seeing the information; and
- (e) Take care to prevent unauthorized disclosure.

Always refer to the Legal Advisor of the Group for additional guidance on the handling of personal data and a description of protected information.

18.0 CONFIDENTIALITY AND INFORMATION SECURITY

18.1 Confidentiality

Directors and Employees shall at all times exercise caution and due care to safeguard any information of confidential and sensitive nature relating to the Company / Group that are strictly prohibited to disclose to any person (s), unless disclosure is duly authorized or mandated by the Company's Authorized Spokes Person or the Board of Directors.

In the event that a Director or an Employee knows of any material information affecting the Company / Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director or Employee involved and made known to the Legal Advisor for advice.

Where dissemination of confidential information relating to the Company / Group for publications or through the media or to consultants is contemplated, such disclosures should only be made by the Authorized Person with the approval of the Board.

Where confidential information is approved to be disclosed to another party, it should only be released under the terms of a written confidentiality agreement or undertaking entered into with the other party.

When the media is involved guidance should be obtained from Authorized Spokes and the Legal Advisor of the Group which **MIUST** be approved by the Executive Directors with prior knowledge of the Board of Directors.

18.2 Undertaking

Employees and Directors shall undertake to be bound that in the course of and as a result of their employment, they may have access to or may become acquainted with information which may be designated by Company / Group as confidential by virtue of the law or by virtue of a trade secret ("the Confidential Information")

Employees & Directors must understand and agree, that both during and after employment, they shall not to divulge any Confidential Information to any person or entity other than required by relevant regulatory authority and maintain the confidentiality of the Confidential Information and to take reasonable steps to prevent its unauthorized disclosure to or use by any other person or entity.

Employees and Directors shall further undertake not to remove / duplicate/ transmit/publish/ share any documents, information or tangible item which belongs to the Group that contain any “Confidential Information” without prior proper written consent from the Company’s Legal Advisor or Executive Directors.

18.3 Ownership of Rights

Employee may also during the course of employment make an invention or discover or modify, adapt or improve upon existing machineries or equipment and techniques used or be used by the Company/Group in connection with their respective business.

Employee must understand and agree that any and all intellectual property rights, including but not limited to Patents, copyright, design rights and information hereto on all works made by employee or jointly with others, during and arising out of employment shall be and remain the property of the Company and that employee is not allowed to remove or share any of its information at any time with any outside party or make any claims or demand or bring any action against the Company in respect of the same.

18.4 Confidential Information

“Confidential Information” shall mean:

- (a) any documents include notes, memorandum, record, report, calculations, data or information that is not generally known to the public, including, but not limited to the payroll/employee data / salary information / business, financials / accounting and operations, customer relationships, customer profiles, customer data / or other customer, vendor or business partner information spending patterns, internal performance results relating to the past, present, or future business activities, assets, financial / costing, operation, strategies, business plans prospects and drawings relating to the Company / Group howsoever made available for inspection, furnished or supplied.
- (b) any specific or technical information / drawings, specifications, financial information, design, process, procedure, formula or improvement, modification of machinery and equipment, operations that is commercially valuable and not publicly available;
- (c) all confidential or proprietary concepts, documentation, reports, data, specifications, customer software, source code, company / group software system or access codes, object code, flow charts, databases, inventions, information, know-how and trade secrets, whether or not patentable or copyrightable.

18.5 Governing Law & Jurisdiction

The foregoing obligations as to confidentiality and secrecy shall remain in full force and effect notwithstanding the termination of employee’s employment / director with the Company.

Confidentiality Undertakings shall be governed by and construed in accordance with the laws of Malaysia and the parties hereto submit to the jurisdiction of the Courts of Malaysia.

19.0 ENTERTAINMENT, GIFTS AND MEALS

19.1 No Gift Policy

The following guidelines are intended to provide directors, employees, vendors, customers and business partners of the company with a clear direction to ensure their compliance with the code.

- (a) As a basic principle, any transaction resulting from a business relationship and designed to achieve personal gain to a member of staff or their family is expressly forbidden.
- (b) All employees are strictly forbidden to accept any gifts from suppliers.

Note : For items with a nominal value of RM100 below, such as pens, calendars or diaries or any gifts by vendors /suppliers / customers shall be reported and such items be submitted to the Human Resource Department for verification and if needed HRD shall seek Higher Management's approval for receiver to keep such items for him/herself.

- (c) The following types of payment are strictly prohibited:
 - i) Payments to subsidize private events or activities;
 - ii) Payment of an employee's normal business travel and accommodation expenses;
 - iii) Payment of travel and accommodation expenses for family members;
 - iv) Cash inducements; (Includes cash given on a pretext of a loan or borrowing)
 - v) Any goods or services provided by a supplier or contractor at less than its commercial value must be through a Company approved purchase scheme open to all of its employees.
- (d) The following types of hospitality may not be accepted:
 - (i) Tickets for a function at which the donor is not present;
 - (ii) Any level of entertainment, which is outside the bounds of accepted business, Hospitality;
 - (iii) Extension of business trips for leisure purposes paid for by the host;
 - (iv) Use of donor's property;
 - (v) Visits to any location, which does not have a genuine business purpose. The Only exceptions are modest hospitality such as business lunches, which are viewed as a courtesy of business relationship and which, at some point, where practical should be reciprocated; and
 - (vi) Employees shall participate in any competition run or administered or in any way controlled by a supplier/customer.

19.2 Refusing Gifts, Meals and Entertainment

If you are offered a gift, meal or entertainment that exceeds the limits noted above, politely decline and explain the Company's rules. If returning a gift would offend the giver, or the circumstances under which it was given preclude its return, you may accept the gift, but should notify the Head of Human Resource Department.

19.3 Gifts, Meals and Entertainment for Customers and Suppliers

Gifts, meals and entertainment for customers and suppliers must support the Legitimate business interests of the Company and should be reasonable and appropriate under the circumstances. Always be sensitive to our customers' and suppliers' own rules on receiving gifts, meals and entertainment.

20.0 GENERAL EXPORT GUIDELINES

- 20.1 The Group / Company shall comply with all Malaysian laws governing export of any of its products.
- 20.2 All export transactions must be conducted on normal commercial terms required by law without any form of under or over declaration in documentations for the benefits of the buyer.
- 20.3 All documents prepared by the responsible Employee in conjunction with export /local sales of its goods (e.g. Shipper's export declarations, Tax Invoices, Export license applications and Bills of lading) shall be stated accurately and complete to give a true and proper view of the actual transaction and not otherwise.
- 20.4 Head of Department shall ensure proper declaration records of all Sales transactions, including correspondence exchanged when setting- up the deal and accounting records must be kept in accordance with the Group's Records keeping procedure.
- 20.5 Any form of declaration which does not give true and proper view of the actual transaction is strictly prohibited and any level of employee found to do so shall be dealt with according to the Group's Disciplinary Procedures without compromise and Individuals involved shall bear full responsibility on the consequences pertaining to the action by authorities.

21.0 COMMISSION / WITHOLDING TAXES

- 21.1 Any requests for payment of commission to anyone other than the recognized sales agents (and this includes individuals who may be directors or officers of the contracting party) or to any place other than the recognized sales agent's principal place of business shall not be entertained unless the Company is given:
- (a) a letter of authority from a duly authorized person of the contracting party or the relevant contract so provides; and
 - (b) a confirmation that such payment does not break local law and that all necessary approvals from any appropriate authority have been obtained.

- 21.2 Any transaction which does not comply with Paragraph 21.1 above must be referred to the Legal Advisor of the Group. The documents must be lodged and approved before payment is made. If the documents cannot be approved, no payment shall be made.
- 21.3 As required by the Inland Revenue Department on the relevant Withholding Tax payable on commission paid to agents abroad, shall be complied with by the Finance Department of each individual Company at all times.

22.0 PROTECTION OF ASSETS AND MISUSE OF INFORMATION / RESOURCES

22.1 Acting with integrity begins within the highest level in the Company/Group, and that includes how each and every one deal with Company's resources, records, assets and information.

22.2 Company Assets

- (a) Always protect the Company's assets and use those assets in the manner intended only. Do not use Company's assets for your personal benefit or for the benefit of anyone other than the benefit of Company.
- (b) Use common sense. For example, the occasional personal phone call or e-mail from your workplace is acceptable. Excessive personal calls or e-mail is a misuse of assets.
- (c) Company policy may include additional personal use of certain assets, such as a Company car or wireless communication device. Always check relevant internal policies to ensure that you are using Company assets as intended.
- (d) Theft of Company's assets is deemed when unauthorized removal of Company product, equipment or information, or theft through embezzlement or intentional misreporting of time or expenses will result in disciplinary action which may include termination or / and criminal prosecution.
- (e) The Company treats workplace theft of assets belonging to other employees the same way it treats theft of Company's assets.

22.3 Use of Time, Equipment and Other Assets

- (a) Do not engage in personal activities during work hours that interfere with or prevent you from fulfilling your job responsibilities;
- (b) Do not use Company computers and equipment for outside businesses, or for illegal or unethical activities such as gambling, pornography or other offensive subject matter.
- (c) Do not take for yourself any opportunity for financial gain that you learn about because of your position in the Company, or through the use of Company property or information.

Examples of Company Assets: -

- (a) Company's money;
- (b) Company's products;
- (c) Employees' time at work;
- (d) Computer systems and software;
- (e) Telephones;
- (f) Wireless communication devices;
- (g) Photocopiers;
- (h) Company vehicles;
- (i) Proprietary information; and
- (j) Company trademarks / Patent.

22.4 Use of Information

Always safeguard the Company's non-public information, which includes everything from contracts, and pricing information to marketing plans, technical specifications including employee information.

- 22.5 Do not disclose nonpublic information to anyone outside the Company, including your family and friends, except when disclosure is required for business purposes. Even then, take appropriate steps, such as execution of a confidentiality agreement, to prevent misuse of the information. Do not disclose nonpublic information to others inside the Company unless they have a business reason to know. Employees are obligated to protect the Company's nonpublic information at all times, including outside of the workplace and working hours, and even after employment ends. Retain or discard Company records in accordance with the Company's record retention policies. Company's Compliance Department occasionally may issue notices regarding retention of records in the case of actual or threatened litigation or government investigation. Employees must abide by the directions contained in these notices, as failure to do so could subject the Company and employees to serious legal risks.

What is Nonpublic Information?

It is any information that the Company has not disclosed or made generally available to the public which includes information related to:

- (a) Employees data;
- (b) Inventions;
- (c) Contracts;
- (d) Strategic and business plans;
- (e) Major management changes;
- (f) New product launches;
- (g) Mergers and acquisitions;
- (h) Technical specifications;
- (i) Pricing;
- (j) Proposals;
- (k) Financial data; and
- (l) Product costings.

23.0 BUSINESS AND FINANCIAL RECORD KEEPING / ACCURACY

- 23.1 Person in Charge shall ensure the accuracy of all Company business and financial records. These include not only financial accounts, but other records such as quality reports, inventory records, time records, expense reports and submissions such as benefits claim forms and resumes. Ensuring accurate and complete business and financial records is everyone's responsibility, not just a role for accounting and finance personnel. Accurate recordkeeping and reporting, reflects on the Company's reputation and credibility and shall ensure that the Company meets its legal and regulatory obligations.
- 23.2 Always record and classify transactions in the proper accounting period and in the appropriate account and department. Do not delay or accelerate the recording of revenue or expenses to meet budgetary goals.
- 23.3 Estimates and accruals must be supported by appropriate documentation and be based on your best judgment.
- 23.4 Ensure that all reports to regulatory authorities are full, fair, accurate, timely and understandable. Never falsify any document and do not distort the true nature of any transaction.
- 23.5 Never enable another person to evade taxes or subvert any laws. For this reason, payments generally should be made only to the person or firm that actually provided the goods or services. Payments should be made in the supplier's name, where it does business, or where the goods were sold or services provided, unless the supplier legitimately has assigned payment or sold its accounts receivable to another entity. Exceptions must be approved according to the Limit of Authority.
- 23.6 Employees must always strive to be accurate when preparing any information for the Company, but honest mistakes occasionally will happen. Only intentional efforts to misrepresent or improperly record transactions, or otherwise to falsify a Company business record, are violation of the Code.
- 23.7** Employees shall at all times adhere to all applicable laws, external accounting requirements / standards and Group procedures for reporting financial and other business information
- 23.8 The Group adopts records management and procedures which reflects the Group Records keepings. All employees have an obligation to manage their business records in accordance with the applicable records keeping procedures.
- 23.9 Employees shall cooperate fully with the Group's internal and external auditors and ensure that all information held which is relevant to the audit of any company in the Group is made readily available to the auditors.
- 23.10 All transactions and contracts must be properly and accurately authorized and recorded as required.

24.0 TRANSFER PRICING LEGISLATION & REGULATORY REQUIREMENT

- 24.1 Transfer pricing legislation requires taxpayers to determine and apply the arm's length price for the acquisition or supply of property or services to an associated person pursuant to Section 140A of the Income Tax Act 1967 ("ITA"). This section empowers the Director General of the Inland Revenue Board ("IRB") to substitute the price in respect of any property or services to reflect the arm's length price for the transaction as well as to disallow a portion of interest and finance charged that relates to financial assistance which is excessive.
- 24.2 Head of Department and Employees specifically in the area of Marketing, Procurement and Accounts shall make themselves aware of this ruling and its updates and ensure compliant with the transfer pricing laws on any Sales and Services provided to related companies within the group including the keeping and filing of the necessary supporting documents at all times.
- 24.3 In the event that there is any doubt as to whether a particular business practice or activity will infringe any transfer pricing law, the matter should be referred to the Legal Advisor in the Group Human Resource Department.

25.0 MINIMUM WAGE AND RETIREMENT ACT

The Group shall at all times comply to the National Minimum Wages Act 2012 that had come into effect on 1 January 2013. Compliance to this act together with the periodic changes shall be ensured to be carried out by the Head of Human Resource Departments.

26.0 HEALTH, SAFETY AND ENVIRONMENT ACT

On Safety & Health

The Group shall at all times ensure a safe workplace and maintain proper Occupational health and safety practices to commensurate with the nature of the Group's business and activities. Employees in return shall understand and abide to the Group's Safety Policies and Procedures in particular:

- (a) Smoking Prohibition in the factory production and air condition areas;
- (b) Wearing of Personal Protective Equipment supplied at all times;
- (c) Attend Safety & Health Awareness Trainings organized by the Group;
- (d) Work in a Safe Conscious Manner at all times; and
- (e) Always remember that Safety & Health come first.

On Environment

The Group shall ensure compliance to the rules and regulations of the Environmental Quality Act 1974, which is applicable to the whole of Malaysia by ensuring that:

- (a) Required approvals and licenses needed in each location of operations are being obtained and renewed when necessary; and

- (b) Air, Water and Waste regulation under this act are being complied by all operating plants.

27.0 ENTERPRISE RISK MANAGEMENT & INTERNAL CONTROL

- 27.1 A Group wide Enterprise Risk Management Framework System has been established as mandated by the Bursa Malaysia Securities Berhad as to ensure that the Group has have an adequate and appropriate risk control management system on financial & operational in place.
- 27.2 Risk Management Committee has been established to identify and assess the risks and implement an appropriate internal control system to mitigate these risks.
- 27.3 Operation Managers and their Head of Departments shall be responsible to identify their risk area and update their Risk Register on a yearly basis complete with the mitigation plans for Internal Audits to be carried out.
- 27.4 Audits on the internal control system shall be carried out on a periodic basis to assess the adequacy and effectiveness of the system in place. The outcome and findings of the audit carried out shall be reviewed by the Board via the Audit Committee.
- 27.5 Risk Management Working Group (consist of Operation Managers and Head of Departments) has been established to identify and assess the risks and implement appropriate internal control to mitigate identified risk. Management shall update the Risk Management Committee of the Board at least two (two) times a year on the Risk Management issues.
- 27.6 Audits on the internal control system shall be carried out on a periodic basis as instructed by the Audit Committee of the Board to assess the adequacy and effectiveness of the system in place. The outcome and findings of the internal audit carried out shall be reviewed by the Board via the Audit Committee.

28.0 EMPLOYEES SALE AND PURCHASE POLICY

This Employee (Employees shall include directors) Sale and Purchase ("Transaction") Policy is designed to safeguard all involved in any sale of items to the company by an employee and any purchase of company's properties by an employee.

The following procedures are of paramount importance and shall be fully complied by all employees involved in such transactions. Any breach of these procedures will be regarded as gross misconduct and could potentially result in disciplinary action taken or a possible dismissal.

Procedure

- (a) Any attempt to deliberately lower or heighten the price than it should be at the time of the sale / purchase is made or which is heighten / reduced to a disproportionately high / low price, will be viewed as personal gain;

- (b) All sale / purchases shall consist a signed original Delivery Order and Tax Invoice clearly stating the item(s) sold / purchase. Any removing items before proper documents has been made will be viewed as misappropriation of the items and regarded as a gross misconduct offence;
- (c) Employees are strictly forbidden to take items from the waste for purchase regardless of whether the item has been scanned out as waste or not. This item(s) remains the property of the Company / Group at all times unless written approval has been obtained. Any unauthorized removal of waste for sale will be regarded as a gross misconduct offence and shall result in disciplinary action being taken which may include dismissal;
- (d) The price of the product / item for sale / purchase shall be the same price made available to any third party and if it is a used item, the price shall be the net book value indicated in the financial records of the company;
- (e) For sale of company's properties, based on the net book value, a discount of not more than 15% can and maybe approve by Management;
- (f) Any employee sale or purchase exceeding the amount of RM5,000 shall require prior approval from Executive Directors before transaction can be processed;
- (g) Payment on all Sales shall be made prior to items being remove from the Company's premises and a receipt of payment shall be given by the Accounts Department;
- (h) Payment on all Purchases shall be made according to the terms of payment stated in the Purchase Order;
- (i) Any Sale or Purchase involving Key Officers or Directors of the Company, shall be reported to the Audit Committee in the related Party Transactions session prior to transaction being processed; and
- (j) All Sale and Purchase by employee shall be on an arms-length basis and shall comply to all the normal terms as given to any third party.

If you are unsure about any aspect of this policy, please seek guidance from the Legal Advisor.

29.0 Document Retention Policy

As required under the Securities Commission Malaysia, the Board shall establish a Policy on Document Retention for the group as to ensure that documents and records are retained and stored in a proper condition including being destroyed periodically.

Policy shall be maintained and updated accordingly when the need arises. Head of Departments shall ensure the policy is being adhere to at all times in their relevant department and subordinates as the penalty for loss/missing/destroyed of critical documents can lead to a fine of RM10million and / or imprisonment of up to 10 years or both.

30.0 ACKNOWLEDGEMENT

All employees / directors shall sign an acknowledgement form confirming that they have read this Code of Conduct & Business Ethics and by signing agrees to abide by its provisions.

All employees/directors shall be required to make similar acknowledgements on a periodic basis upon the “Code” being reviewed / updated. A full updated version of the “Code” is being made available on the company’s website at www.evergreengroup.com.my and failure to read the “Code” or sign the acknowledgement form does not excuse an employee from Compliance to the Code at all times.

31.0 WAIVER

Waiver of any provisions of this Code for any level of employees of the Group must be approved by the Board of Directors and shall be disclosed promptly to the extent required by the law.

32.0 GROUP LEGAL ADVISOR OR THE COMPLIANCE DEPARTMENT

The Legal Advisor for the Group on Compliance is available to answer any questions about the Code or Company Policies, or to discuss any concerns that you may have about a potential Code violation of the Code or any part to it.

To contact the Legal Advisor, you can do so in the following method:

- (a) Call +607- 4541933 Ext 157
- (b) E-mail at enquiry@efb.com.my
- (c) Fax to +607-4542933 (Att: Legal Advisor, Group Human Resource Department.)
- (d) Mail to:

The Legal Advisor / Compliance Department,
Group Human Resource Department,
Evergreen Fibreboard Berhad,
PLO 22, Parit Raja Industrial Estate,
86400 Parit Raja,
Johor, Malaysia.

This Code was first adopted by the Board on 01st June 2013, reviewed on 24 February 2016 and subsequent review and approval by the Board on October 2019.

The Code is made available for reference on the Company’s website at www.evergreengroup.com.my .
