



CODE OF  
BUSINESS  
CONDUCT AND  
ETHICS

## **1.0 General**

### **1.1 Introduction**

- 1.1.1 One of the fundamental elements of success practiced by CTOS Digital Sdn Bhd and its subsidiaries (“CTOS Group”, “CTOS” or “Company”) is earning the confidence, respect, and trust of the Shareholders and Stakeholders. As CTOS Group grows and evolves its operations, it is paramount to bolster a favourable and trusting environment.
- 1.1.2 The Code of Business Conduct and Ethics (“the Code”) covers all Employees regardless of the employment agreement (including full-time, part-time, permanent, contract, temporary and probationary) who are employed with any entity within the CTOS Group.
- 1.1.3 The Code shall be distributed to all Employees and the policies herein shall be construed as part of the Employees’ contract of employment with CTOS Group.
- 1.1.4 All CTOS Employees shall sign a declaration of their knowledge and acceptance to comply with the Code.
- 1.1.5 The Employee who fails to read, understand, and comply with the prevailing Code shall be deemed as a breach of discipline and will subject to disciplinary action, including dismissal from office or employment/engagement with CTOS Group.
- 1.1.6 All Heads of Department (“HOD(s)”) have the added responsibility to support the implementation of the Code, especially via leading by example, encouraging an ethical and transparent working cultures and being ready to advise Employees they supervised on matters of professional ethics and conduct.
- 1.1.7 All HODs shall ensure their Employees’ compliance with the Code. Any HOD who condones Employee violation of the Code or fails to report it shall also be deemed as in violation of the Code.
- 1.1.8 Any breach of the Code should be immediately reported to the General Manager of Human Resources and/or Group CEO.
- 1.1.9 Human Resources shall be the sole issuer and custodian of the Code; and as document owner, shall review this document annually, or as and when required.

### **1.2 Objectives**

- 1.2.1 The Code sets out the minimum standards which require all Employees to comply with for areas and situations where public trust and confidence might be compromised, or a law might be violated.
- 1.2.2 The policies enumerated in the Code are meant to serve as guide for proper standards of business ethics and conduct for the Employees. It shall not derogate, replace, or restrict the matured judgement of the Employees in conducting their daily activities.
- 1.2.3 In circumstances where there is doubt over matters relating to the Code, Employees shall seek guidance from their immediate supervisors or respective HODs.

### **1.3 Culture of Open and Honest Communication**

- 1.3.1 An Employee should feel comfortable to speak his/her mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where Employees feel comfortable raising such questions.
- 1.3.2 Reported instances of questionable or unethical behaviour will be investigated without any prejudice. In every instance where improper behaviour is found to have occurred, the company will take appropriate action. Stern action will be taken on any retaliation against Employees who raise ethics concerns in good faith.

## **2.0 Core Areas of Conduct**

## 2.1 Conflict of Interest

### 2.1.1 External Business Interests

- a. Employees are restricted from engaging directly or indirectly in any business or activity that competes or conflicts with the interests of CTOS.
- b. It is deemed as conflict of interest in the event an Employee conducts business other than CTOS business, during office hours.
- c. The clause 2.1.1(b) above extends to any business conducted outside of office hours that demands excessive time and attention from the Employee and thereby depriving CTOS Group of the Employee's best efforts on his/her job.
- d. All employees are prohibited from engaging with outside business that is inconsistent with CTOS Group's interests, such as working for competitor or starting own line of business with the intention of competing with CTOS.

### 2.1.2 Other Employment

- a. Employees are required to be totally committed to CTOS Group's business and not encouraged to engage in part-time employment or other business activities outside the working hours, whether directly or indirectly, paid or unpaid.
- b. The Employee shall discuss with his immediate supervisor or Head of Department before making any commitment for possible part-time employment, second job or other business activities outside CTOS Group's office hours.
- c. The Employee wishing to embark on a part-time or second employment or business activity, or wishing to participate in a charitable or in any other organisations outside CTOS Group's office hours shall obtain prior "written approval" from the General Manager of Human Resources and/or Group CEO. The approval may only be granted only in situations where it will not be prejudicial to the interest of CTOS Group.
- d. The reference to "Other Employment" in this part 2.1.2 shall exclude those that may be deemed by CTOS Group as being carried out for the purpose of or in connection with or shall not transpire as a result of criminal or immoral-related activity/group/association/society.

### 2.1.3 Interest of Family Members and/or Relatives

- a. Employees shall not:
  - mix personal relationships with business;
  - hire a relative as an employee or appoint as vendor;
  - buy products or services from a family business on CTOS's behalf; or
  - sell CTOS products and service to a family business on a favourable terms not seen to be arm's length;  
take part in any CTOS Group business decision involving a company that employ a spouse, relative or friend to the employee.
- b. Employees shall not use their position, official working hours, company's resources and assets, or information available to them for personal gain or to the Company's disadvantage.
- c. In situations where a conflict does occur, the employee is required to declare the matter to the Company's management via "Declaration Form for Conflict of Interest". Employees may refer to CTOS Anti-bribery and Corruption Policy for this form and further guidance.

### 2.1.4 Directorship in Corporate Organizations

- a. Employees shall not solicit corporate directorship and shall not serve as director of other corporations without prior “written approval” from Group CEO.
  - b. Any Employee who holds directorship without approval shall immediately seek and obtain the approval if he/she wishes to remain as a director for that other corporation.
- 2.1.5 Employees must safeguard the property and information of CTOS and shall not use it for any personal gain or misuse such information to jeopardize CTOS.
- 2.1.6 Full disclosure is the key to prevent and resolve Conflict situation and would be in the best interest of CTOS Group and the Employee. It will also demonstrate good faith on the part of the Employee and protect his reputation and that of CTOS Group. This should also be complemented with proper monitoring and conflict management.
- 2.1.7 In fact, activity that appears questionable may be acceptable and permissible when all the facts regarding the activity are closely examined. As such, it is advisable that Employee discloses the conflict situation and seek consultation to eliminate doubt.
- 2.1.8 Any occurrence of conflict of interest or Employee caught in such situation shall disclose it to his/her immediate superior and/or the General Manager of Human Resources to resolve the situation in a fair and transparent manner.

### **3.0 Trust and Credibility**

- 3.1.1 The success of our business is dependent on the trust and confidence we earn from our Employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honourable conduct.

### **4.0 Safety at Work**

- 4.1.1 Employees’ safety is our main priority and we ensure the working environment is conducive, comfortable and safe from hazards. We are committed and consistently finding ways to improve on the standards set and expects constant safety vigilance by every Employee.

### **5.0 Compliance to Law**

- 5.1.1 Our commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must understand the company policies, laws, rules and regulations that apply to our specific roles. CTOS has every right to report any actions or activities that is deemed criminal in nature to the police and other relevant authorities.

### **6.0 Competition**

- 6.1.1 We are dedicated to ethical, fair and vigorous competition. We will sell CTOS products and services based on their merit, superior quality, functionality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for CTOS or the sales of its products or services, nor will we engage or assist in unlawful boycotts of customers.

## **7.0 Respect for individual**

- 7.1.1 We deserve to work in an environment where we are treated with dignity and respect. CTOS is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success.
- 7.1.2 CTOS Group is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behaviour.
- 7.1.3 CTOS upholds and believe in ensure diversity and equal employment opportunities for all applicants regardless of the race, ethnicity, religion, national origin, gender, age or disability.
- 7.1.4 Any Employee who feels discriminated against should report the incident to his/her immediate superior or/and to the General Manager of Human Resources.

## **8.0 Harassment, Threat and Violence**

- 8.1.1 CTOS will not condone to any kind of harassment, threat and violence whether the nature of such action was verbal, physical or visual. Such conduct interferes with an employee's ability to perform his/her duties and is not consistent with our Company's philosophy of trust and mutual respect.
- 8.1.2 Severe action including termination will be executed for unacceptable behaviours include but are not limited to derogatory comments based on gender, religion, racial or ethnic characteristics, physical attributes, spreading of malicious rumours or use of digital platforms such as emails, voicemail or other forms of social media which can cause disharmony, disunity, feelings of enmity, hatred, prejudice or ill-will.
- 8.1.3 Compliance with this policy is the responsibility of all CTOS Employees. Every employee must avoid any behavior or conduct that could reasonably be interpreted as a violation of this policy, and every employee has the responsibility to maintain a work environment free from harassment, threat and violence.
- 8.1.4 Any employee found to have engaged in conduct that violates this policy or who retaliates against an employee in violation of this policy, or any employee who does not fully cooperate with an investigation of a complaint, will be subject to corrective action up to and including termination of employment. The Company may impose corrective action for any inappropriate conduct, regardless of whether the conduct was unlawful.
- 8.1.5 Employees that have experience to harassment, threat and violence are encouraged to report to Human Resources Department for further investigation.

## **9.0 Entertainment, Gifts and Business Courtesies**

- 9.1.1 Employees shall not accept gifts, benefits or entertainments from Client (including potential client) supplier, customers or any other third party that would constitute a violation of laws or that could affect, or appear to affect, the professional judgement or create the impression of improperly influencing the respective business relationship.
- 9.1.2 Employees should not feel any entitlement to accept and keep a business courtesy. Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favouritism or that may adversely affect the company's reputation for impartiality and fair dealing.
- 9.1.3 Employees shall not offer or give gifts, benefits, or entertainments to Client (including potential client), business associates, customers or any other third party in an attempt to influence them in their business dealings with CTOS Group.

- 9.1.4 The Employee may, subject to the prohibitions explained above, accept and/or offer entertainment/gifts/presents where acceptance and/or offer of such would not place the Employee in a compromising position, or where refusing the gifts/presents would jeopardise relationship with the Client or business associates. The entertainment/gifts/presents generally include:
- a. token gifts/presents of nominal value received during festive seasons or in line with custom and practice;
  - b. normal business entertainment, e.g. meals of no more than ordinary amenities; or
  - c. gifts/presents from family or friends unconnected with the duties and responsibilities with CTOS Group.
- 9.1.5 Employees should refer to CTOS Anti-bribery and Corruption Policy for further guidance in this area.

## **10.0 Bribes and Corruption**

- 10.1.1 Employees that are involved in any business relationship while representing CTOS should not directly or indirectly accept any bribes from any third party and receive any other unlawful or unethical benefit that might be seen to be an activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof.
- 10.1.2 Employees must be cautious not to offer or give improper benefits with the intention to influence others decision as such offence will lead to stern disciplinary action and will result in criminal charges. Improper benefits may consist anything that violates CTOS policies.
- 10.1.3 It is CTOS Group's commitment to carry out our business with loyalty, fairness, transparency, honesty, and integrity. Therefore, a zero-tolerance approach is adopted against fraud, bribery and/or corruption incident(s). All employees are expected to act in accordance to CTOS Anti-bribery and Corruption Policy.

## **11.0 Employment of Family Members and Relatives**

- 11.1.1 Employee must declare any employment of their family members and relatives to CTOS and ensure such declaration was made prior to the hiring and it shall be subject to conditions as per Company's policies. In the event of any conflict of interest due to hiring of Employees within the same department or division and nature of job will be at CTOS absolute discretion. Declaration should also be made in the event an Employee enters a relationship with another Employee during employment or with a family member of that Employee. Decision made by the Company shall be final.

## **12.0 Involvement in Political Party**

- 12.1.1 Employees are not permitted to engage in any political activities as the company's representative and are warned strictly not to use CTOS logo, name or other belongings for any political purposes.
- 12.1.2 Employee shall not hold any "Divisional" post and above in any political party. Any Employee holding such a position (i.e. prior to the implementation of the Code or prior to joining the Company) must resign from such position and notify the General Manager of Human Resources to permit such information to be recorded in Employee personal information/record.
- 12.1.3 Employee involved in any political party that resulted in illegal activity (e.g. street demonstration or fighting) and failure to obtain approval from immediate superior and/or the General Manager of Human Resources will be subject to disciplinary action or termination of service depending on the severity of the offence.

### **13.0 Data Integrity and Confidential Information**

- 13.11 It is important that we respect the property rights of others. We will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. We will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.
- 13.12 Employees at all times must ensure to record and report information accurately and with integrity. All disclosures made in financial reports are full, fair, accurate, timely and understandable. This obligation applies to all Employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein.
- 13.13 Employees are obligated to protect the confidentiality of the Company's information and be vigilant against unauthorised disclosure or use. Such information shall be restrained from general public, competitors or any third party. Information must be kept in control and accessibility is only when it meets the purpose.
- 13.14 We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material non-public information with respect to CTOS, its business operations, plans, financial condition, results of operations or any development plan.
- 13.15 All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with CTOS's and other applicable accounting principles.
- 13.16 We must not improperly influence, manipulate or mislead any audit, nor interfere with any auditor engaged to perform an independent audit of CTOS books, records, processes or internal controls.

### **14.0 Dealing with External Parties (Vendors and Business Partners)**

- 14.1.1 The Company shall take a collaborative approach in all their partnerships ensuring that employees address the specific needs of the stakeholders, while offering products, services and solutions; whilst upholding the Code.
- 14.1.2 The Company shall conduct business with vendors or business partners that share the same ethical commitment as the Company and shall avoid conducting business with vendors or business partners who are likely to harm the Company's reputation.
- 14.1.3 All business decisions must be in line with the Company's objectives and taking consideration of the independent judgment in the best interest of the Company and must not be made due to personal considerations or relationships, whether real or perceived.

### **15.0 Accountability**

- 15.1.1 Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the Human Resources department.
- 15.1.2 Integral to our business success is our protection of confidential company information, as well as non-public information entrusted to us by Employees, customers and other business partners. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or non-public information about other companies, including current or potential suppliers and vendors. We will not disclose confidential and non-public information without a valid business or legal purpose and proper authorization.

## **16.0 Use of Company Resources**

- 16.1.1 Company resources, including time, material, equipment and information, are provided for company business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace.
- 16.1.2 Employee not encouraged to use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity. Solicitation of Company Employees by non-Employees is always prohibited. Solicitation by an Employee of another Employee is prohibited, while either the person doing the soliciting, or the person be solicited is on working time and on Company property. Distribution of materials by Employees in work areas or on working time is prohibited.
- 16.1.3 In order to protect the interests of the CTOS network and our fellow Employees, we reserve the right to monitor or review all data and information contained on an Employee's company-issued computer or electronic device, the use of the Internet or CTOS's intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

## **17.0 Records Retention**

- 17.1.1 CTOS has operational, regulatory, and legal requirements to retain certain records for prescribed periods of time. CTOS identifies all sort of document records and certain correspondences (hardcopies or electronic) as the official record, and Employees are expected to consistently retain records for the appropriate period of seven (7) years and in an approved/appropriate system of record.
- 17.1.2 Employee should seek guidance from his/her immediate supervisor with managing records.

## **18.0 Insider Dealing**

- 18.1.1 Employees who are in possession of market sensitive information are not allowed to deal and/or trade in securities of the Company or another listed company if that information has not been made public. Employees are also prohibited from disclosing any non-public price sensitive information to any third party.

## **19.0 Business Expenses**

- 19.1.1 CTOS funds for business expenses, whether paying by credit card, cash or another method. All Employees are expected to use good judgment to keep business expenses (for example, meal expenses, entertainment) reasonable, comply with CTOS policy for incurring and reporting business expenses and don't incur unreasonable expenses on behalf of the Company.

## **20.0 Social Media**

- 20.1.1 These days, the reach of social media is wider than ever. While social media can help CTOS build and strengthen relationships with our customers, Employees and community members, it also has the potential to negatively impact the public's perception of CTOS or the Employees' personal or professional reputation.
- 20.1.2 Social media activity includes all types of posts and other communications on the Internet; posts on social networking sites such as Facebook, Twitter and LinkedIn; blogs and other online journals and diaries; bulletin boards and chat rooms; and posts of video or audio on media-sharing sites, such as YouTube (not an exclusive list).
- 20.1.3 Employees should be aware of the effect their actions may have on their images, as well as Company's image. The information that Employees post or publish may be public information for a long time.
- 20.1.4 Employees should be aware that Company may observe content and information made available by Employees through social media. Employees should use their best judgment in posting material that is neither inappropriate nor harmful to Company, its Employees, stakeholders or customers.
- 20.1.5 It is highly recommended that Employees keep Company related social media accounts separate from personal accounts, if practical.

## **21.0 How to Raise Concerns**

- 21.1.1 If Employees encounter questionable activities at work, it should immediately be raised to their immediate supervisors and or Heads of Department.
- 21.1.2 If an Employee is not comfortable raising the issue to his/her immediate supervisor or Head of Department, they have the right to go to the next level of management within the organization. Employees may also contact any Human Resources representative and another appropriate whistle blower channel at [whistleblower@ctos.com.my](mailto:whistleblower@ctos.com.my)