



# **KUMPULAN PERANGSANG SELANGOR BERHAD**

(Registration No.197501002218 / 23737-K)

## **CODE OF CONDUCT FOR DIRECTORS VERSION 3/2024**

APPROVED BY BOARD

30 MAY 2024

## TABLE OF CONTENTS

<b>Paragraph</b>	<b>Contents</b>	<b>Page</b>
1.	Introduction	1
2.	Principle	2
3.	Definition	3
4.	Requirement of the Code	3-11
5.	Waiver	12
6.	Reporting Violations of the Code	12
7.	Enforcement of the Code	13
8.	Review of the Code	13

## 1.0 INTRODUCTION

Kumpulan Perangsang Selangor Berhad (“KPS Berhad” or “Company”) being a responsible corporate citizen is strongly committed to the highest standard of conduct in all its business dealings and its relationships with its employees, customers, shareholders, stakeholders, regulators, and the public at large based on the fundamental guiding principles and standards applicable to the Board of Directors (“Board” or “Directors”) such as Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries (“GCD”) and Malaysian Code on Corporate Governance (“MCCG”) issued by Securities Malaysia (SC), Corporate Governance and Code of Ethics for Company Directors issued by Companies Commission of Malaysia (“CCM”) and KPS Berhad’ underlying core values of Pride, Respect, Integrity, Discipline and Extra Mile (“PRIDE”).

The Code of Conduct for Directors (“COC” or “Code”) is to provide the fundamental guiding principles and standards applicable to the Directors where such principles and standards are founded on high standards of professional and ethical practices. The Directors acknowledge that they must exercise judgment in applying the principles embodied in the Code to any particular situation.

This Code of Conduct and Ethics (“COCE”) applies to all the directors of KPS Berhad and its subsidiaries (“Group”), which include the Managing Director/Group Chief Executive Officer. Each Director must comply with the letter and spirit of this COCE which serves as a set of guiding principles in the performance and exercise of their responsibilities as Directors of the relevant companies within the Group.

This Code is not intended to be exhaustive. It should be read together with the existing governance framework of all relevant laws and regulations, integrated into Company-wide management practices as well as the directives and policies of the KPS Berhad Group including any relevant best practices/standards in corporate governance and provisions of the constitutions of companies within the KPS Berhad Group.

## 2.0 PRINCIPLES

- 2.1 The Directors owe fiduciary duties to the respective companies, its shareholders and other stakeholders, which are enshrined in both common law and statutory duties as set out in the Companies Act 2016 ("CA2016).
- 2.2 The Directors hold a relationship of trust with the company's shareholders and are expected to act in the best interests of the company in which they are the Directors.
- 2.3 The guiding principles on which this Code is based are derived from the GCD and MCCG issued by SC and in line with the aspirations of KPS Berhad's core values as in "PRIDE" acronym as follows:
- a) Pride  
Directors take pride in performing their duty, acting in good faith and in the best interests of the KPS Berhad Group, its shareholders and stakeholders and commit to its success.
  - b) Respect  
Directors should recognise the value of others and accept the differences.
  - c) Integrity  
Directors' must act with integrity and its conduct is guided by responsibility and accountability.
  - d) Discipline  
Directors perform with team spirit guided by clear rules of work discipline.
  - e) Extra-Mile  
Directors expected to contribute to stakeholders' growth by "Going Extra-Mile" in business activities and development of the Company.

### **3.0 DEFINITION**

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 executive and non-executive Directors as well as executive and non-executive chairpersons.

### **4.0 REQUIREMENT OF THE CODE**

A Director of the Group shall at all times exercise his powers in accordance with the CA2016, the respective company's Constitution and the applicable rules and regulations, for a proper purpose and in good faith in the best interest of the company in which he or she sits as a board member.

In the performance of his/her duties, a Director should at all times abide by and conform to the following Code:

#### **4.1 Compliance with Laws, Rules and Regulations**

- 4.1.1 Directors of KPS Berhad must ensure its compliance with all applicable laws, rules and regulations including the Constitutions of the Company and guidance and directive issued by the authorities and also not engage in any illegal or improper conduct that is in violation of any laws or regulations.
- 4.1.2 Comply with the internal policies and procedures of the Group. Directors shall be aware of the significant internal policies and procedures of the Group and ensure compliance.
- 4.1.3 Directors are expected to consult with the Chairman of the Board or the Head of Legal or the Company Secretary regarding matters pertaining to the laws that may be applicable to KPS Berhad Group.

## **4.2 Conflict of Interest**

- 4.2.1 Directors should avoid conflict of interest (“COI”) as far as possible.
- 4.2.2 Directors are required to declare at all times the nature and extent of any COI, whether direct or indirect or whether actual or potential, with the Company or its subsidiaries, and if so required by the relevant Board/Board Committees, to recuse themselves from any deliberations and decision relating thereto.
- 4.2.3 Where a potential or actual conflict arises, every Director shall adhere to the procedures provided by the relevant laws and relevant internal documents in particular, the Directors’ Conflict of Interest Policy of KPS Berhad.

## **4.3 Conduct of Directors**

- 4.3.1 A director must exercise his powers for a proper purpose and in good faith in the best interest of the company in which he sits as a board member.
- 4.3.2 A director who is appointed as a board representative must act in the best interest of the company (subsidiary) in which he sits as a board member. In the event of any conflict between his duty to act in the best interest of the company (subsidiary) and his duty to his nominator, he must not subordinate his duty to act in the best interest of the company (subsidiary) to his nominator (KPS Berhad).
- 4.3.3 In directing or managing the business and affairs of the Company, a director must exercise reasonable care, skill and diligence by applying the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and applying any additional knowledge, skill and experience which the director has.

- 4.3.4 A director is required to maintain a sound understanding of the business and keep abreast of relevant developments to ensure he is able to discharge his duties and responsibilities effectively.
- 4.3.5 Devote sufficient time and participation board meetings, contribute constructively to board discussions and decision-making, and conduct due inquiry before approving a matter.
- 4.3.6 Ensure key transactions or critical decisions are deliberated and decided on by the board in a meeting.
- 4.3.7 Ensure his/her decisions and the basis for those decisions, including any dissenting views are made known and properly minuted.

#### **4.4 Anti-Corruption/Bribes**

- 4.4.1 In line with Adequate Procedures Principle (TRUST) namely Top Leadership Commitment, pursuant to Section 17A of the Malaysia Anti- Corruption Commission Act 2009, which is Top Leadership Commitment, the Directors (whether acting in their own capacity or on the Group's behalf) should practices the highest level of integrity and ethics and complies fully with the applicable laws and regulatory requirements on anti-corruption when dealing with gifts, donations, sponsorship, and any other form of benefits and effectively manages the key corruption risks of the Company.
- 4.4.2 To observe high standards of business, professional and ethical conduct, the Directors (whether acting in their own capacity or on the Group's behalf) are committed to refrain themselves from of fering, soliciting, giving or receiving any gifts, donations (including political donations), sponsorship, and any other form of benefits (in kind, cash, advantages, travels, entertainments and/or favour and etc) from persons or entities who deal with the KPS Berhad Group where the gift would reasonably be expected to influence the performance of the Director's duties in any aspect.

4.4.3 Director must not accept a benefit from or provide a benefit to a third party by reason only of him/her being a director or him/her doing something or refraining from doing anything as a director unless he is permitted to do so by the company's Constitution, and it is not contrary to any written law.

#### **4.5 Maintain Proper Records and Accounts**

4.5.1 The Directors must cause to be kept the accounting records and other records:

- i) to sufficiently explain the business, transactions and financial position of the Company;
- ii) to enable the preparation of true and fair financial statements;
- iii) to enable the accounting and other records of the Company to be conveniently and properly audited; and
- iv) retain all records referred to above for not less than seven (7) years from the completion of the transactions or operations to which the entries or records relate.

4.5.2 The Directors of the Company's subsidiaries must cause to be kept the accounting and other records of the relevant subsidiaries in the following manner:

- i) to sufficiently explain the business, transactions and financial position;
- ii) to enable the preparation of true and fair financial statements;
- iii) to enable the accounting and other records of the subsidiaries to be conveniently and properly audited;



- iv) retain all records referred to above for not less than seven (7) years from the completion of the transactions or operations to which the entries or records relate; and
- v) provide the Company with all information and records necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards.

4.5.3 If any accounting and other records referred to in paragraph 4.5.1 and paragraph 4.5.2 above are kept at a place outside Malaysia, the director must comply with the direction issued by the SC for the director of the Company to produce any of those records at a place in Malaysia and how those records are to be kept in Malaysia.

4.5.4 The Directors are ultimately responsible in ensuring that the beneficial ownership ("BO") information from its members or any persons who is believed to be a beneficial owner, the directors must ensure the following:

- i) the BO information must be recorded in the register of beneficial owners pursuant to subsection 60C(4) of the CA 2016 and the register of beneficial owners shall be kept at the registered office pursuant to the requirement under subsection 60B(2) of the CA 2016;
- ii) the BO information in the register of beneficial owners is accurate at all times; and
- iii) the company exercises its powers when there are reasonable grounds of changes to the beneficial ownership information stated in the register of beneficial owners pursuant to subsection 60C(5) of the CA 2016, and when there are any incorrect particulars of the beneficial owners stated in the register of beneficial owners pursuant to subsection 60C(6) of

the CA 2016.

## **4.6 Group Governance**

4.6.1 The Directors must establish and ensure that there is an adequate group wide framework on corporate governance, including oversight of Group's financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks, and corporate governance policies and practices. The policies include but are not limited to:

- i) Code of Conduct for Employees
- ii) Policies and Procedures on Anti-Bribery and Anti-Corruption
- iii) Whistleblowing
- iv) Managing conflict of interest
- v) Managing material sustainability risks
- vi) Board diversity, including gender diversity

4.6.2 The Directors of the Company's subsidiaries must provide the Company any information requested by it to enable the Board of the Company to oversee the performance of its subsidiaries effectively, including assessing non-financial performance of the Group.

## **4.7 Confidentiality**

4.7.1 In the course of their directorship in KPS Berhad Group, Directors may come into possession of confidential, sensitive and public information relating to the Company and or its business associates ("confidential information"). It includes but is not limited to, non-public information that might be useful to competitor or harmful to KPS Berhad Group or its customers if disclosed such as:

- i) Non-public information about KPS Berhad Group's financial condition, prospects or plan as well as information relating to mergers and/or acquisitions and divestments;

- ii) Non-public information concerning possible transactions with other companies or information about KPS Berhad' joint venture partners that KPS Berhad Group is under an obligation to maintain as confidential; and
- iii) Non-public information about discussion and deliberations relating to business issues and decisions between and among employees, officers and Directors.

4.7.2 All Directors are prohibited from disclosing any confidential information either during or after their service as Director of the Group, except when disclosure is required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority, as the case may be. It is therefore pertinent that all Directors exercise caution and due care in handling any information obtained in the course of their duties.

4.7.3 Directors have a contractual and moral responsibility to safeguard any confidential information to which they may have access in the course of their directorship. The improper and unauthorised use of such confidential information is totally prohibited.

## **4.8 Insider Trading**

4.8.1 All Directors are prohibited from engaging in insider trading. Directors are required to comply with applicable laws and regulations on insider trading, including restriction in dealing with securities of KPS Berhad Group while in the possession of material non-public information or price sensitive information.

4.8.2 Price Sensitive Information is generally non-public information that on becoming generally available would or would tend to have material effect on the price or value of securities, in which a reasonable investor would consider important when deciding to buy or sell securities. The restrictions described here also apply to

trading in the stock of other companies (outside KPS Berhad Group) using confidential information that the Director has access to because of employment or service with the Company. Disclosure of price sensitive information to others can result in civil and criminal penalties.

#### **4.9 Anti-Money Laundering/Combating the Financing of Terrorism (“AML/CFT”)**

4.9.1 The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLA”) is the primary statute governing the AML/CFT regime in Malaysia. The Act was gazetted as law on 5 July 2001 and came into force on 15 January 2002.

4.9.2 The AMLA provides for the offence of money laundering and terrorism financing and the measures to be undertaken for the prevention of money laundering and terrorism financing offence.

4.9.3 All directors are prohibited from supporting or facilitating money laundering or terrorist financing. Directors must take reasonable care to not tip off persons suspected of money laundering and must be aware and follow strictly abide the AMLA.

4.9.4 Directors should be always vigilant and critically analyze customers and transactions, timely raise concerns and report suspicions relating to money laundering and terrorist financing in line with the reporting process implemented in the Group.

4.9.5 Directors should request updates and tracking of any milestones to ensure flaws are addressed and also critically consider whether the information it receives is sufficient to make informed decisions.

#### **4.10 Company Asset**

4.10.1 Every Director has a duty to safeguard the Company's assets, including its physical premises, equipment and facilities as well as the records and information/ data (both physical and electronic means).

4.10.2 Directors shall not cause any damage to Company asset whether belonging to the Company or to other Directors including its physical premises, equipment and facilities as well as the records and information/ data (both physical and electronic means) or any use of any such assets to commit any criminal acts or any act of misconduct as determined by the Company.

4.10.3 Properties of the Company assigned to the Directors are strictly to be utilised for work related purposes only. Abuse or misuse of the properties so assigned is a serious violation of the Code.

#### **4.11 News Release**

No Director of the Company is authorised to make any public statements either oral or written in any other form, about the Company to any media (electronic and/or print) and/or the internet without prior approval of the Chairman, Managing Director/Group Chief Executive Officer or such other designated personnel or authorised persons of the Company.

#### **4.12 Sustainability Development**

4.12.1 The Directors take responsibility for the governance of sustainability in the Company including setting the company's sustainability strategies, priorities and targets.

4.12.2 The Directors consider sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

4.12.3 The Directors ensure that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

4.12.4 The Directors take appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

## **5.0 WAIVER**

Any waiver of the application of principles/ standards set forth in this Code may only be made by the Board of KPS Berhad or an authorised Committee of the Board of KPS Berhad, as it deems fit and appropriate.

## **6.0 REPORTING VIOLATIONS OF THE CODE**

6.1 Any queries or matters relating to any actual or potential wrongdoing or breach of this Code by a Director shall be reported to the Chief Integrity and Governance Officer ("CIGO"), Integrity and Governance Unit ("IGU") via whistleblowing hotline at 03-55248448 or via email: [integrity@kps.com.my](mailto:integrity@kps.com.my).

The CIGO will report directly to the Chairman of KPS Berhad and if the concern raised involves the Chairman of KPS Berhad, the CIGO will report directly to a Senior Independent Director as nominated by the Nomination and Remuneration Committee, in accordance with the Whistleblowing Policy of KPS Berhad.

6.2 The Board Chairman or Senior Independent Director of the Company, as the case may be, will then raise the matter for discussion by the Board of the Company, which will decide on the appropriate course of action, if any. The Director who is the subject matter of the inquiry shall refrain and abstain from participating in such discussions and any decision relating therefrom.

## **7.0 ENFORCEMENT OF THE CODE**

In the event of any violation of this Code by any Director, the Board shall determine appropriate actions to be taken after considering all relevant information and circumstances.

## **8.0 REVIEW OF THE CODE**

The Code shall be reviewed periodically, especially when there are changes in any applicable laws, code, or regulations relevant to this Code or at least once every three (3) years.

---

<b>Document Version Control</b>		
<b>Document Version/Revision</b>	<b>Approved by</b>	<b>Effective Date</b>
Establishment	KPS Berhad Board of Directors' Meeting held on 26.02.2013	26.02.2013
Version 1	KPS Berhad Board of Directors' Meeting held on 26.08.2021	26.08.2021
Version 2	KPS Berhad Board of Directors' Meeting held on 26.08.2022	26.08.2022
Version 3	KPS Berhad Board of Directors' Meeting held on 30.05.2024	30.05.2024