



CODE OF BUSINESS ETHICS AND CONDUCT

QL Resources Berhad and its subsidiaries

Background

QL Resources Berhad (“QL” or the “Company”) and its subsidiaries (“QL Group” or the “Group”) are dedicated to maintaining the high standards of ethics and integrity. In the course of carrying out our roles and responsibilities in our business relationship with distributors, directors, employees, customers, business contacts and society, we agree to remain committed to acting in accordance with the high standards of excellence, honesty and integrity in every business activity.

This Code of Business Ethics and Conduct (the “Code”) is formulated to enhance the standards of corporate governance and corporate behaviour with the intention of achieving the following aims in our group of companies:

- to establish a standard of ethical behaviour for Directors, Senior Management and employees of companies in QL Group based on trustworthiness and values that are acceptable;
- to uphold the spirit of responsibility and social responsibility in line with existing rules, regulations and guidelines for administering a company; and
- to formalise and inculcate ethical values through the Code and ensure their implementation and compliance.

The term “We”, “Our” and/ or “Us” refers to QL’s Covered Persons and is used interchangeably throughout this Code. For purposes of this Code, the term ‘employee’ includes any person who is employed by any company in QL Group.

Scope of, and compliance with, the Code of Business Ethics and Conduct

This Code is based on the principle that Directors and employees of the QL Group, its Officers, Senior Management and all employees (also known as “Covered Persons”) owe a duty to QL Group to conduct business in an ethical manner that promotes the accomplishment of the Group’s objectives.

All Covered Persons are expected to adhere to this general principle as well as to comply with all the specific provisions of this Code that are applicable to them and other policies adopted by QL Group.

In accepting a position with QL Group, each Covered Person becomes accountable for compliance with the law, this Code and all the policies of QL Group.

This Code should be read in conjunction with other policies of the QL Group. It is each individual’s responsibility to be familiar with this Code, policies and any supplemental policies. The Board expects strict compliance with this Code.

Failure to observe these policies may result in disciplinary action, including possible termination of employment. Furthermore, violations of this Code may also constitute violations of the law and may result in civil or criminal penalties.

Work environment

Our Directors, Officers, Senior Management and employees seek to foster a work environment that is free from the fear of retribution or reprisal.

Safe and healthy environment

We are committed to providing a drug-free, safe and healthy work environment. Using or being under the influence of alcohol or illegal drugs, whilst at work, is strictly prohibited, and smoking is restricted to designated areas. Each of us is responsible for compliance with applicable health and safety laws and regulations.

Any environmental risks that may arise within our properties or from our operations should be identified and managed in accordance with applicable laws and regulations.

Property

Covered Persons are responsible for the proper use of our property, including our information resources, records, materials, facilities and equipment, and the property of our suppliers, service providers or other third parties which are under your care or control.

Covered Persons are expected to use and maintain these assets with care, guarding against theft, waste or abuse which may damage such property or assets.

Covered Persons shall not misappropriate the Group's property or the property of others for personal use or for the use of others.

The computer, electronic mail, internet access, and voice mail systems provided to you are intended for business purposes. Covered Persons shall not use these systems in a manner which is harmful or embarrassing to the Group or suppliers, service providers or others. Under no circumstances shall any of the Group's systems be used to solicit, harass or otherwise offend or for any unlawful purpose. QL Group reserves the right to inspect work spaces and to audit, access and disclose all information and data, including electronic mail message, SMS or text messages, and phone call records, stored on or in any of QL Group's equipment, for any purpose.

Records and information

We promote full, accurate, timely and understandable disclosure in all public communications, including reports and documents that we file with, or submit to, government authorities. We must maintain accurate and complete records, data and other information in sufficient detail so as to reflect our transactions accurately.

Our financial information and statements must be prepared in accordance with generally accepted accounting principles, the Malaysian Financial Reporting Standards and applicable statutory accounting practices and procedures for regulatory purposes, to fairly present, in all material respects, our financial position and operating results.

Covered Persons are personally responsible for the integrity of the information, reports and records under their care or control and must ensure that all reports are filed in a timely manner and that they fairly present the financial position and operating results of QL Group. Misrepresentation of or falsifying facts/ records will not be tolerated and will result in disciplinary action.

Covered Persons must comply with QL Group's policy on retention and planned destruction of records. If any government authority or official requests for access to our records, data or other information of ours, Covered Persons must notify their superior, manager, or Senior Management of this request immediately.

Covered Persons shall not destroy or alter any records, data or other documents which are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable government investigation or proceeding or lawful request.

Covered Persons shall fully cooperate with appropriately authorised internal or external investigations. Making false or misleading statements to anyone, including internal or external auditors, QL Group's counsel, representatives or other employees, or regulators can be construed as a criminal act that can result in severe penalties.

Covered Persons must never withhold or fail to communicate information that should be brought to the attention of Senior Management.

Proprietary and confidential information

Covered Persons may also receive or create information about us which is proprietary and/ or confidential. Covered Persons must respect confidential information and comply with any applicable laws governing its disclosure.

Both during and after the association with us, Covered Persons shall not disclose such proprietary or confidential information to anyone without proper authorisation from us. This applies to disclosure by any medium, including Short Message Services (SMS) and the internet, especially via social media sites (e.g. Facebook, Twitter, and YouTube), internet message boards and/ or blogs.

Disclosure of proprietary or confidential information within QL Group or its related entities shall not be made to any individual (party) who is not authorised to receive it and has no need to know the information.

Our proprietary or confidential information includes non-public information that may be of use to our competitors, or harmful to us or our suppliers or other third parties, if disclosed. Examples of proprietary information include plans for acquisition, financing and business/ strategic plans and budgets.

Further examples of confidential information, include employee records, customer information or QL Group or its related entities' information, including name, address, contact numbers, e-mail, addresses, medical and billing records, government-issued identification (e.g. Identity Card, Driver's Licence) and credit card, banking or other financial information.

Compliance with laws

We conduct our business in accordance with all applicable laws and regulations. Compliance with the law does not comprise our or a Covered Person's entire ethical responsibility. Rather, it is a minimum, essential condition for the performance of our and a Covered Person's duties.

This Code highlights issues but does not attempt to cover every circumstance which may arise. There are complex, rapidly changing laws and issues which may affect a Covered Person's personal conduct outside of our business environment. Covered Persons are responsible for knowing and complying with all applicable laws and regulations and are urged to consult with QL Group's respective Heads of Department as to questions concerning these laws and regulations.

If a Covered Person has any compliance questions relating to us or our business, the Covered Person should consult his/her Head of Department within QL Group.

Fair dealing with others

We shall not make materially false, misleading or unsubstantiated statements about our competitors or ourselves on internet message boards, blogs, social media sites (e.g. Facebook, Twitter, and YouTube) or similar forums or by other means of communication. Covered Persons, as our representatives, must adhere to these standards in a Covered Person's conduct on our behalf. Covered Persons may not post information about us on the internet anonymously and may only speak for us if authorised to do so.

Opportunities

Covered Persons have an obligation to give QL Group their complete loyalty and to advance QL Group's legitimate business opportunities. We expect the best interests of QL Group to be foremost in the minds of our employees, officers and trustees as they perform their duties. These duties include the following:

- (i) not taking for the Covered Persons personally opportunities that are discovered through the use of QL Group's property, information or their position;
- (ii) not using QL Group's property, information or their position for their personal gain; and
- (iii) not competing with QL Group.

Covered Persons may determine whether we consider an action they propose to take to be consistent with their duties to us by following the procedure described below relating to conflicts of interest. When a Covered Person becomes an employee, officer or trustee of QL Group, and receives pay and benefits in such capacity, the Covered Person makes this commitment.

Conflicts of interests

Covered Persons must be sensitive to activities, interests or relationships that interfere with, or which appear to interfere with our interests as a whole. These activities, interests or relationships are considered "conflicts of interest". Conflicts of interest arise from financial or other business relationships with QL Group, suppliers or competitors that may impair, or appear to impair, the independence of any judgment a Covered Person may need to make on our behalf.

They may arise from their personal investing, their outside business activities, their consideration of our business opportunities and dealings with related parties. Examples include but are not limited to the following:

- speculation or dealing for personal benefit in equipment, supplies, material, services or property purchased by or products sold by members of QL Group;
- outside interests which materially limit a Covered Person's ability to devote proper time or attention to QL Group's businesses;
- direct or indirect ownership of stock or other financial or management interest in a business enterprise which is soliciting business with, competes with, or has a common business objective to QL Group, unless that interest is limited to the ownership of securities traded on any national securities exchange or through any broker registered with the Securities Commission in a recognised over the counter market or unless prior approval is obtained from the Group. In the case of Senior Management, Covered Persons may seek approval from our Board of Directors for investments, related party transactions and other transactions/ relationships which a Covered Person would like to pursue and which may otherwise constitute a conflict of interest or other action falling outside of the permissible activities under this Code;
- direct or indirect relationships with an outsider that is unethical or that may create personal gain for a Covered Person who can influence any member of QL Group's dealings, renders a Covered

Person partial to the outsider to the detriment of QL Group or may place any member of QL Group or a Covered Person in an embarrassing or ethically compromised position;

- diversion to a Covered Person of a business opportunity in which QL Group is or may be interested;
- acceptance by a member of a Covered Person's immediate family or by the said Covered Person of any loan, entertainment or favour from anyone associated with a distributor, customer, supplier, vendor, contractor, competitor or other outside business entity, that places the Covered Person under actual or implied obligation, that could be construed as a bribe or payoff, that is illegal, in terms of cash or cheque, or the disclosure of which would be embarrassing to QL Group.

If something constitutes a conflict of interest and if it involves a Covered Person directly, it will likely constitute a conflict of interest if it involves a family member or business associate.

Covered Persons are under a continuing obligation to disclose any situation that presents a conflict of interest. Disclosure to the Board's or AC's nominated person is the key to be in compliance with this Code.

This enables our representatives who are independent of the conflict of interest to understand the conflict of interest and to determine whether our interests as a whole are being protected or otherwise.

If a Covered Person discovers that, as a result of changed circumstances or otherwise, he/she has become involved in a conflict of interest or is in competition with us in a manner that violates or may violate this Code, the Covered Person must report that conflict as provided above as soon as the matter comes to his/her knowledge. Unless the Covered person obtains appropriate approval, he/she must promptly eliminate that conflict or competitive situation.

Immediate family members, including a spouse, children, parents and others residing in a Covered Person's home, including the Covered Person, shall avoid any potential conflict of interest. Covered Persons shall inform Management of actual or potential conflicts of interests and are required to exercise care as to not provide non-public information to family, friends and business associates, who may act on that information improperly.

As it is impossible to describe every potential conflict of interest, we necessarily rely on Covered Persons to exercise good judgment, to seek advice when appropriate and to adhere to ethical standards in the conduct of a Covered Person's professional and personal affairs.

Insider trading

No Covered Persons shall use price sensitive non-public information or confidential business information, which can affect securities price of the company when it becomes publicly known ("Inside Information"), for personal benefit or the benefit of other persons. Covered Persons are prohibited to trade in securities or to provide information to others, including but not limited to family, friends and business associates to trade in securities of entities relating to the Inside Information until the Inside Information is publicly released.

Anti-bribery and corruption

Bribery and corruption acts involve the promising, offering, authorizing, soliciting or accepting of a gratification, not confined to monetary form, as an inducement to gain or provide, or as a reward for having gained or provided, an undue advantage in which cases such acts could influence the intended recipient's judgement, views or conduct. Occurrence of such acts may also have an adverse impact on

the efficiencies, further performance, morale and reputation of the Group, therefore, exposing it to civil actions and criminal punishments.

Covered Persons are strictly prohibited to, or prohibited to attempt directly or indirectly, from promising, offering, authorizing, soliciting or accepting any gratification, to anyone and/or from anyone, that constitutes or could be reasonably perceived as constituting, unfair business inducements or that would violate laws or regulations or our other policies. Covered Persons are required to comply with the Group's Anti-Bribery Policy and relevant anti-bribery-related policies and procedures established by the Group.

Covered Persons who directly or indirectly obtain or has been offered any commission, payment, services, consideration of value or other benefits by virtue of his/her role or authority in the Group or in the performance of his/her duties, has the duty to disclose such receipts/benefits to their immediate superiors or heads or, when necessary, the MD for clearance. Violations of this provision of the Code may constitute violations of the law and may result in civil or criminal penalties.

Anti-money laundering

Money laundering is the process of which persons or groups try to conceal the proceeds of illegal activities or try to make the sources of their illegal funds look legitimate via legitimate business dealings. QL Group recognises the possibility that its Covered Persons, unknowingly, may be dealing or have dealt with money laundering.

To avoid any engagement and/or activities with parties convicted or highly suspected of association with criminal/terrorist activities or organisations. Covered Persons should consider, where appropriate and practical, conducting reasonable counterparty due diligence to understand the business and background of any prospective business partners including inquiry, where practicable, into suspicious conduct, proceeds or funds of the counterparty.

Covered Persons must report to immediate superiors or heads or, when necessary, the MD suspected incidents of money laundering. Violations of this act may constitute violations of the law and may result in civil or criminal penalties.

Reports of violations

We require that any employee, officer, Senior Management or Director who knows of a violation of laws, rules, regulations or this Code, to report the violation through the **Whistleblower Policy** approved by the Board.

Failure to report a known or suspected violation of the Code itself is a violation of the Code, as is the submission of information about a violation which is known to be false. While each Covered Person has a duty to report violations, no Covered Person has the right to use this as a means to unjustly accuse, harass or malign another.

Covered Persons will not be punished in any way for making a report about the improper conduct of others that they believe to be true at the time that it is made.

Integrity and Background Declaration

QL Group may require the provision of an integrity and background declaration by certain Covered Persons at different frequencies (e.g. annually or biannually) as determined by QL Group. such requirement does not indicate any form of suspicion or distrust, rather they serve as a control measure to protect the integrity of the business relationship between QL Group and the Covered Persons.

Accountability for adherence with this Code

The Board of Directors enforces this Code. If an alleged violation of this Code has been reported to it, the Board of Directors (or its nominated persons) shall determine whether that violation has occurred and, if so, shall determine the disciplinary measures to be taken.

These disciplinary measures, which may be invoked at the discretion of the Board of Directors, include, but are not limited to, counselling, oral or written reprimands, warnings, probation, or suspension without pay, demotions, reductions in salary, termination of employment or other relationship with us and restitution.

Any waiver of the applicability of this Code requires the approval of the Board of Directors and may be promptly and publicly disclosed as may be required by applicable securities laws. Waivers will be granted only as permitted by law and in extraordinary circumstances and shall be determined by the Board of Directors on a case to case basis.

Review of this Code

This Code is approved by the Board of Directors of QL on 27 February 2020.

It shall be reviewed by the Group periodically and at least once in three years.

Integrity and Background Declaration for Directors and Employees

QL Resources Berhad and its Subsidiaries (the “Group” or “QL Group”)

Integrity and Background Declaration Form for Directors and Employees

Name (“I”):	
Position:	

1. I agree to comply with all applicable laws and regulation in the conduct of business or service in relation to the businesses and operations of QL Group.
2. I agree to abide by the terms and conditions governing my directorship/ employment relationship with QL Group, with reference to:
 - any official contracts, employment letter, letter of offer, letter of appointment, engagement letter, or any official document to the similar effect; and
 - the Group’s **Code of Business Ethics and Conduct** and relevant policies and procedures of the Group, including the Group’s Anti-Bribery Policy and relevant anti-bribery-related policies.
3. I agree to conduct business in an ethical manner and will not undertake any bribery conduct in carrying out my duties and responsibilities for and on behalf of QL Group.
4. I understand that if I fail to comply with any part of the above-mentioned **Item 1 to 3**, QL Group reserves the rights to undertake a review of my employment with the Group including contracts, employment, or appointment, which may lead to disciplinary actions, dismissal, and even reporting to the authorities
5. I declare that:
 - I am not aware of any actual, potential, or perceived conflict of interest situations with QL Group or other stakeholders of the Group’s businesses.
 - apart from the actual, potential, or perceived conflict of interest situations declared in **Appendix A**, I am not aware of any other actual, potential, or perceived conflict of interest situations with QL Group or other stakeholders of the Group’s businesses.

(tick whichever is applicable)

I agree to notify QL Group, as soon as practicable, on any emerging or new actual, potential, or perceived conflict of interest situations arising.

6. I declare that:

- I have never been convicted of any crime or offences, other than traffic offences (if any).
- I have been convicted of the following offences, other than traffic offences (if any):
(tick whichever is applicable)

[(To provide a brief description of convicted offences (other than traffic offences))]

I declare that all information provided in this Form is, to the best of my knowledge and belief, true, complete, and accurate. I understand that if any information is untrue, incomplete, or inaccurate, QL Group reserves the right to review my employment relationship with the Group including but not limited to contracts, employment, or appointment, which may lead to disciplinary actions, dismissal, , and even reporting to the authorities.

Name: _____

Identity Card/ Passport
Number: _____

Signature: _____

Date: _____

Note to Employees: If you have not or are unable to fulfil any section of the Code of Business Ethics and Conduct, please contact your Managers or respective Heads of Department immediately for clarification and remedial measures to be taken.

Appendix A – Declaration of Conflict of Interest Situations

Name:	
Position:	

You are required to disclose any conflict of interest situations with the Group, which may include, but not limited to, the following:

- A Director or an Employee of the Group having a Close Relationship with an external stakeholder of the Group, such as a supplier, customer, or a person with authority at a regulator, government agency, department, or authority with which the Group is required to deal;
- A Director or an Employee of the Group having a Close Relationship with another Director or Employee of the Group;
- A Director or an Employee of the Group having a Close Relationship with a recipient of donation or sponsorship made by the Group; and
- A Director or an Employee of the Group having a Close Relationship with a competitor of the Group or with a party which may have a direct interest or a directly conflicting interest with the Group.

Note:

- (a) Business Associates include the Group's contractors, sub-contractors, consultants, distributors, agent representatives, or any parties performing work or services for or on behalf of the Group, the Group's joint venture entities, joint venture partners, associate companies, and business partners.
- (b) "Close Relationship" refers to any of the following situations:
- (i) being a family member of the other person, where "family" shall have the definition provided in Bursa Malaysia Securities Berhad's Main Market Listing Requirements, i.e.
 - 1) spouse;
 - 2) parent;
 - 3) child including an adopted child and step-child;
 - 4) brother and sister; and
 - 5) spouse of the person referred to in 3) and 4) above.
 - (ii) being a director, major shareholder, partner, or a person with executive power of an entity or organisation;
 - (iii) being a family member of the person referred in (ii) above;
 - (iv) being a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions, or wishes of the other person; and
 - (v) being a related party as defined by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

	Name of Conflicted Party (actual, potential, and perceived)	Relationship with Conflicted Party	Nature of Conflict of Interest Situation with QL Group and Detailed Description (e.g. shareholdings, directorships, and Close Relationship)
(i)			
(ii)			
(iii)			
(iv)			

I declare that all information provided in this Form is, to the best of my knowledge and belief, true, complete, and accurate. I understand that if any information is untrue, incomplete, or inaccurate, QL Group reserves the right to review my employment relationship with the Group including but not limited to contracts, employment, or appointment, which may lead to disciplinary actions, dismissal, and even reporting to the authorities.

Name: _____

Identity Card/ Passport Number: _____

Signature: _____

Date: _____