

# Prestar Resources Berhad

## Code of Conduct and Ethics for Directors

[approved on 24<sup>th</sup> Nov 2016 / Reviewed 14<sup>th</sup> May 2020 ]

### 1. Introduction

The Board of Directors (“**the Board**”) of Prestar Resources Berhad, together with its subsidiaries (“**the Group**”) are committed to adhere to the best practices in corporate governance and in observing the highest standards of integrity and behaviour in all activities conducted by the Group. The Group has adopted the following Code of Conduct and Ethics for Directors (“**the Code**”). Each Director has to comply with the spirit of this Code that serves as a guiding principles for Directors in exercising their duties and responsibilities as Directors which are critical to the success and well-being of the Group.

### 2. Objectives

The objective of the Code is to provide some ethical guides on the standards of behaviour expected from the Directors of the Group, during the conduct of business for the Group. For all intents and purposes, all Directors shall always observe and ensure compliance with all applicable laws and regulations to which they are bound to observe in discharging their duties and responsibilities. However, the Code is not intended to be exhaustive, thus the Executive Directors are required to observe and comply with another set of code i.e. “Code of Conduct for Workplace” as set up by the Group Human Resources Department.

### 3. Code of Conduct and Ethics : Guidelines

In performing their duties, the Directors of the Group shall at all times abide and conform to the following guidelines:-

#### 3.1 Compliance with Laws and Regulations

Ensuring compliance with the applicable laws and regulations, the Directors must be familiar with the relevant legislations and regulations that apply to the Group. Each Director is responsible for taking appropriate actions to understand and comply with the relevant laws, rules and regulations that are applicable to their positions and works, and not to engage in any illegal or improper conduct that is in violation of any laws or regulations.

As the leader of the Management team, each Director shall comply with the internal policies and procedures of the Group. The Directors shall not only aware of the significant internal policies and procedures of the Group, but must ensure compliance with it.

### **3.2 Conflicts of Interest and Disclosure**

The Directors must not engage in activities that could appear to be in conflict between their personal interests and the interests of the Group, whether directly or indirectly. Areas where conflicts might arise include substantial share ownership in competing organisations, direct or indirect personal interest in contracts, full time dual employment with outside organisations or seeking or accepting gifts, favours or entertainment beyond the levels considered reasonable in the business environment of the Group.

Any actual or potential conflicts of interest are to be fully disclosed to appropriate Management, Audit Committee and/or the Board and where such circumstances are permitted by Management, the Audit Committee and/or the Board to continue, it shall not be deemed a violation of the Code.

Timely disclosure is essence. The Directors must immediately disclose all contractual interests whether directly or indirectly with the Group. Details of involvement, potential involvement, either directly or indirectly must be disclosed to the Audit Committee and/or Board with transparency and accuracy.

### **3.3 Confidentiality and Protection of Group's assets**

All Directors must exercise caution and due care to safeguard any information of confidential and sensitive nature relating to the Group which is acquired in the course of their employment, and are strictly prohibited to disclose to any party, unless the disclosure is duly authorised or legally mandated. In the event that a Director is aware of some material information affecting the Group which has yet to be publicly released, the material information must be held in strict confidential by the Director involved until it is publicly released. In this situation, the Directors concerned must refrain themselves from involving in any insider dealing.

The Group's assets and confidential information are owned by the Group and are valuable to the Group. Thus, it should be fully protected and must not be used by the Directors for personal gain or for any other reason that is not in the best interests of the Group. Misappropriation of properties owned by the Group will not be tolerated. Any misappropriation should be immediately reported and properly investigated.

The Directors should also refrain from any public discussion in the media or otherwise, regarding the Group's business, affairs, policies and organisations, unless he is the designated spokesperson for the Group.

### **3.4 Stewardship Responsibilities**

The Directors should have a clear understanding of the aims and purposes, capabilities and capacities of the Group and devote sufficient time and effort to attend meetings of the Group and stay abreast and keep informed on all matters of importance to the Group. In addition, the Board has to ensure that the Group is properly managed and controlled at all times.

In line with Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Directors of Prestar Resources Berhad should limit their directorships in other public listed companies to a number in which the Directors could best devote their time and effectiveness.

Each Director should use his/her best efforts to regularly participate in professional development activities and to perform his/her assigned duties in a professional and timely manner in accordance with the Board's direction and oversight.

### **3.5 Duty to act in the best interest of the Group in all aspects**

As the guidelines of the Code are not exhaustive, it is a mandatory conduct for each Director to act in the best interest of the Group with honesty, integrity and in good faith in all aspects of dealings and transactions. Each Director should act responsibly in the exercise of his/her powers when discharging his/her duties. In addition, he/she is to exercise independent judgement, and if necessary, openly oppose if the vital interest of the Group is at stake.

Other considerations involve the duty of being conscious of the interest of shareholders, employees, creditors and customers, promote professionalism and improve the competency of Management and employees.

### **3.6 .Corrupt Practices are Strictly Prohibited**

Corrupt practices are operationally defined as the misuse of entrusted power for private gain. Directors must adhere strictly all provisions of the Malaysian Anti-Corruption Commission Act (MACC) 2009 accordingly.

## **4. Compliance of the Code**

All Directors shall be accountable for full compliance of the Code. In the event of any violation of the Code, the Board shall take necessary actions to ratify on the non-compliance or violation.

## **5. Waiver**

In exceptional circumstances where the Board is of the view that the non-compliance is in the best interest of the Group or there is no breach of Director's duty to the Group, the Board may grant a waiver from compliance with a requirement under the Code upon review and recommendation by the Board.

## **6. Review of the Code**

The Board will monitor the compliance with the Code and review the Code regularly to ensure it remains relevant and appropriate from time to time. The Directors will be required to comply with the Code as updated from time to time. All amendments to the Code must be approved by the Board and be communicated to all the Directors.