



QUOTE OF CONDUCT

DynaFront Holdings Berhad and Group of Companies

1. GENERAL

- 1.1 Good conduct and discipline by the employee is necessary in ensuring a proper, efficient and effective management of the Group's operations.
- 1.2 An employee is required to comply with an acceptable standard of conduct and behaviour. Failure to meet these standards generally may result in disciplinary action being taken against them.
- 1.3 In the normal course of work, an employee shall be made aware informally of any minor shortcomings persist or where the matter is more serious, then the Group's disciplinary procedures shall apply.
- 1.4 It is the general policy of the Group that if disciplinary action must be taken against an employee, it should:
 - a. be undertaken in cases where good and clear reasons exists;
 - b. be appropriate to the severity of the offense that had been committed;
 - c. be fair and consistent with previous action in similar circumstances;
 - d. take place when employees are aware of the standards that are expect of them or rules or policies with which they are required to conform;
 - e. allows the employee the right of appeal in certain special instances against any disciplinary action.

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- An employee is always required to be of exemplary conduct and discipline!
- 2.1 He/She shall always and on all occasions give his/her undivided loyalty and devotion to the Group.
 - 2.2 He/She shall not subordinate his duties to the Group in favour of his/her personal matters.
 - 2.3 He/She shall not conduct himself in such a manner as to bring his/her personal matters into conflict with his duties.
 - 2.4 He/She shall not take any action on behalf of the Group in the performance of his/her work that would subject either the Group or himself/herself to liability or penalty under any laws, rules, regulations or decrees of any governmental authority.
 - 2.5 He shall always be honest and shall not conduct himself in such a manner as to lay himself open to suspicion or dishonesty.
 - 2.6 He/She shall not conduct himself/herself in such a manner as may be construed as an act of insubordination.
 - 2.7 He/She shall not conduct himself in such a manner as can be reasonably construed as lacking in efficiency.
 - 2.8 He/She shall always keep strictly confidential all transactions, accounts, information, dealings, business affairs affecting the Group and its customers or any other persons that the Group may have dealings with.
 - 2.9 He/She shall always during working hours being neatly and properly dressed and groomed.
 - 2.10 He/She shall not take or traffic in or be found in possession of any kinds of drugs except those that are prescribed by a medical practitioner.

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3. MISCONDUCT

- 3.1 Misconduct is defined as improper behaviour or wrongdoing or an act that is inconsistent with the fulfilment of the express or implied conditions of service of employment. These include non-compliance with the Group's Code of Conduct, acts that are considered wilful, arising from the negative attitude of an employee towards his superiors, peers or subordinates, and acts which adversely affect the Group's public image, operations and business.
- 3.2 The Group may, on the grounds of misconduct and depending on the severity of the offence, impose the necessary disciplinary action as it deems fit.
- 3.3 For the guidance of the employee, the following is a list of misconducts which are not meant to be exhaustive. The act of any of them by an employee shall render him/her liable to disciplinary action.
- 3.3.1 Work-Related
- a. Poor quality or quantity of work.
 - b. Habitual negligence or neglect of work.
 - c. Wilful slowing down in performance of work, malingering or abetment or instigating any other to do so or interference with the work of other employees.
 - d. Sleeping while on duty.
 - e. Habitual late attendance, impunctuality.
 - f. Habitual absence without leave; an employee shall be deemed to have broken his contract of service with the Group if he/she has been continuously absent from work for more than two (02) consecutive working days without prior leave from the Group, unless he/she has a reasonable excuse of such absence and has informed or attempted to inform the Group of such excuse prior to or at the earliest opportunity during such absence.
 - g. Ceasing work before the proper finishing time without permission.
 - h. Leaving workplace during working hours without permission or valid cause.
 - i. Playing pranks during working hours within the Group premises.
 - j. Writing frivolous or offensive notes/memos/letters to other employees.
- 3.3.2 Insubordination
- a. Refusing to do work assigned.
 - b. Wilful insubordination or disobedience, whether alone or in collaboration with others to any lawful and reasonable order of a superior.
 - c. Avoiding any communication served either in accordance with the Policy of the Group or with the Law and in the interest of discipline, higher productivity and efficiency of the Group.
- 3.3.3 Illegal and Unlawful Activities and Disorderly Behaviour
- a. Riotous or disorderly behaviour or creating nuisance within the premises of the Group.
 - b. Violence, abusing or assaulting other employees or superiors within the premises of the Group.
 - c. Participating in an illegal strike or abetting, inciting, instigating or acting in furtherance thereof.
 - d. Using vulgar and/or profane language.
 - e. Gambling of any form of whatsoever nature, whether for monetary gain or otherwise, within the premises of the Company.

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- f. Being on the Group premises while under the influence of intoxicating drinks or dangerous drugs.
 - g. Committing an immoral act.
 - h. Possession of lethal or dangerous weapon within the premises of the Group.
 - i. Conviction and imprisonment for any criminal offence.
 - j. Engaging in any business or trade within the premises of the Group (e.g. selling home utensils, insurance, cosmetics, etc.)
- 3.3.4 Fraud
 - a. Making false or improper claims to the Group.
 - b. Obtaining paid leave under false presence.
 - c. Falsifying the Group records.
 - d. Furnishing, at the time of employment, false or incomplete information or suppressing any information regarding age, qualifications, previous service or experience, conviction in a court of law, dismissal by a previous employer, etc.
- 3.3.5 Pecuniary Behaviour
 - a. Incurring debts or acting in any manner which would affect the public image of the Group or that of the Group's employees.
 - b. Soliciting for funds from other employees or clients or suppliers of the Group without permission.
 - c. Lending or borrowing money within the Group premises in circumstances prejudicial to discipline.
- 3.3.6 Properties of the Group, of Other Employees and of the Clients and Suppliers of the Group
 - a. Wilful destruction or defacement of the Group's properties or of the other employees or of the Group's clients and suppliers.
 - b. Theft, fraud or dishonesty in connection with the business or property of the Group or of the property entrusted to the Group or of the property of another employee.
 - c. Failure to give reasonable or satisfactory explanation for the presence of the Group's property found in the employee's vehicle or among his personal articles or in his possession or deposited with him with a third party.
 - d. Removing without proper authority any Group's property (files or confidential documents of whatsoever nature whether original or photocopies whether such is addressed to the employee involved) from the office.
 - e. Damaging or not taking proper care of the properties of the Group.
 - f. Destroying Company records
 - g. Posting, altering, tampering or removing any materials or notices from the bulletin boards within the Group without permission.
 - h. Clocking another employee's timecard on behalf or tampering with the time clock or altering the timecard to produce fraudulent result.
 - i. Driving the Group's vehicles without authorisation and valid license and using them otherwise than for the purpose authorised.
 - j. Interference with any safety device installed in or about the Company and refusal to follow or infringement of Safety Rules, Regulations and Procedures.

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- 3.3.7 Disclosure and Furnishing of Information
 - a. Disclosing to any unauthorised person any trade secrets or information of a confidential nature concerning the affairs of the Company without the prior permission of the Group.
 - b. Publishing any article or giving any interview or making statements to the press or delivering any speech concerning the Group's business without the prior permission of the Group.
 - c. Failure or neglect or refusal to furnish personal and family as and when changes occur or in response to the request of the Group.
 - d. Failure to report an infections or contagious disease of a fatal or dangerous nature (including HIV, AIDS, Venereal Diseases, etc) to the Group.
- 3.3.8 Outside Employment

Employment with any other organisation without the prior approval from the Group in writing.
- 3.3.9 Smoking

Smoking in non-smoking areas within the Group's premises while on duty.
- 3.3.10 Attire

Not properly attired and groomed for work.

4. DISCIPLINARY PROCEDURES

- 4.1 The Group may impose on any employee who has misconducted himself any of the following disciplinary actions depending on the severity of his misconduct:
 - a. Issues a verbal warning.
 - b. Issues a written warning.
 - c. suspends the employee without pay for a period not exceeding fourteen (14) days.
 - d. withholds the employee's increment.
 - e. stops payment of the employee's bonus.
 - f. reduces the employee's salary.
 - g. downgrades the employee.
 - h. dismisses the employee or
 - i. any other actions deemed necessary as may permitted under the law.
- 4.2 An employee who has committed an offence may be given a verbal warning. A record will be kept of the fact that such a warning has been given. Where appropriate, the person giving the warning will inform the employee of the steps which must be taken to improve his conduct or where the improvement is likely to require time, a time limit will be set for improvement or rectification. It will also be clear that any further misconduct or failure to improve within the set time will result in further disciplinary action being taken.
- 4.3 When an employee fails to meet the required standards after being given a verbal warning, he may be given a written warning. This will state the nature of the complaint, the required standards which must be met and a time limit for improvements (if appropriate) and that disciplinary action will ensure if the required standards are not met or if there is further misconduct. A record of the warning and a note of the discussion will be placed in the employee's personal file.
- 4.4 When an employee fails to meet the required standards after due warnings have been given, he will be referred to an Inquiry Panel to determine what further disciplinary actions need to be taken.

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- 4.5 The Inquiry Panel shall consist of a least three (03) nominees comprising the immediate superior and/or the GM/HOD of the employee (provided that such members are not party in filling the action), and at least one other nominee (who shall be nominated by the Chief Executive Officer) of higher rank than the employee.
- 4.6 The Inquiry Panel shall not comprise member(s) whose presence may affect the impartiality of the Panel in conduct of its proceedings and recommendations.
- 4.7 When an Inquiry is to be held, the Group shall inform the employee concerned in writing, stating the charges against him, the time, date and venue of the Inquiry and request him to be present to represent his own case.
- 4.8 The employee has the right to be accompanied by a fellow employee at the Inquiry (including appeals). The accompanying employee shall be there in the capacity of a witness and shall not be normally take any active part in the proceedings.
- 4.9 During the period of the Inquiry, the Group may suspend the employee from work without pay for a period not exceeding fourteen (14) days. Should the Inquiry subsequently not disclose any misconduct on the part of the employee, and he is reinstated, the Group shall forthwith pay to the employee the full amount of wages so withheld.
- 4.10 During the period of suspension, the Group may notify the employee in writing to report to his normal place of work, as may be required to enable the Group to carry out its Inquiry and to return the Group all property and/or equipment issued to him.
- 4.11 11 Should the employee be found guilty of an offence under which he is charged, the Inquiry Panel may recommend the dismissal of the employee from the Group. The Inquiry Panel may recommend, after taken into consideration certain mitigating factors, a lesser punishment as it deems fit. This shall include any one or any combination of two (02) or more of the disciplinary actions from 4.1(d) to (g) and (j).
- 4.12 The proceedings of the Inquiry shall be recorded accordingly, and recommendations made to the Chief Executive Officer for approval. The appropriate approving authority shall not be necessarily bound by the recommendations of the Inquiry Panel and may decide on other forms of punishment as it deems fit.
- 4.13 When the offence/misconduct is so serious as to warrant a summary dismissal, the Chief Executive Officer shall exercise his power of dismissing the employee. Such a dismissal shall be reported to the Board of Directors.
- 4.14 An employee who is found of an offence or misconduct shall have a right of appeal to the Chief Executive Officer if he is dissatisfied with the disciplinary action meted out to him/her.
- 4.15 An appeal must be made in writing within three (03) working days of a disciplinary action decision being communicated to the employee. The grounds upon which an employee is appealing must be clearly stated.
- 4.4 When an employee fails to meet the required standards after due warnings have been given, he will be referred to an Inquiry Panel to determine what further disciplinary actions need to be taken.

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- 4.16 Upon the Group receiving an appeal, a Committee shall be formed, comprising two (02) or three (03) employees (at least of managerial level who have not been party to the previous recommendation) nominated by the Chief Executive Officer. The Committee shall convene a meeting within two (02) weeks of the appeal to consider the case. Each case should be reviewed carefully before a decision is made. The Committee may, after its review, recommend:
- a. ratification of an earlier decision;
 - b. imposition of a lesser disciplinary action;
 - c. imposition of a more severe disciplinary action;
 - d. in very exceptional and extenuating circumstances (for e.g. based on new material facts being brought into the case) reversal of an earlier decision and reinstatement of the employee.
- 4.17 All recommendations by the Appeals Committee shall be subject to the approval of the Chief Executive Officer and shall be final.
- 4.18 Any decision by the respective approving authorities as regards disciplinary action to be imposed on the employee shall be communicated to the employees within seven (7) days after the decision is made.