

**YONG TAI BERHAD**  
(Company No. 311186-T)

**DIRECTOR CODE**

**OF**

**CONDUCTS AND ETHICS**

## **Introduction**

The Board of Directors of Yong Tai Berhad (“YTB”) has adopted the following Code of Conducts and Ethics (“Code”) to assist directors in fulfilling their duties to the Company. The directors are entrusted with responsibility to oversee management of the business and affairs of YTB. As the Company’s policy makers, the directors set the standard of conduct and ethics for all directors, officers and employees.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Audit Committee, who may consult with inside or outside legal counsel as appropriate.

### **1. Standard of Conduct**

In discharging his duty to direct the management of the business and affairs of YTB, a director shall at all times act in a manner he believes in good faith to be in the best interests of YTB, and exercise the care an ordinarily prudent person in a like position would exercise under similar circumstances.

The Board represents the interests of shareholders, as owners of YTB, in optimizing value by overseeing management performance on the shareholders' behalf. The Board's responsibilities in performing this oversight function include a duty of care and a duty of loyalty.

A director's duty of care refers to the responsibility to exercise appropriate diligence in overseeing the management of YTB, making decisions and taking other actions. In meeting the duty of care, directors are expected to:

- *Attend and participate in board and committee meetings.* Personal participation is required.
- *Remain properly informed about YTB's business and affairs.* Directors should devote appropriate time to reviewing periodic updates provided by management, as well as studying board materials prior to each meeting.
- *Rely on others.* Absent knowledge that makes reliance unwarranted, directors may rely on board committees, management, employees, and professional advisors.
- *Make inquiries.* Directors should make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them appropriately.

- *Comply with all applicable laws.* Directors should seek to comply with all applicable laws, regulations, confidentiality, obligations and corporate policies.

A director's duty of loyalty refers to the responsibility to act in good faith and in YTB's best interests, not the interests of the director, a family member or an organization with which the director is affiliated. Directors shall not use their positions for personal gain. The duty of loyalty may be relevant in cases of conflict of interest (section 2 below), and corporate opportunities (section 3 below).

## **2. Conflict of Interest**

Directors must avoid any conflict of interest between the director and YTB. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with YTB, should be disclosed promptly to the Chair of the Audit Committee.

A "conflict of interest" can occur when a director's private interest interferes in any way - or even appears to interfere - with the interests of YTB as a whole. Conflict of interest can also arise when a director, or his or her immediate family member, takes action or has interests that may make it difficult to serve as a director of YTB objectively and effectively or receives improper personal benefits as a result of his or her position as a director of YTB. For the purposes of this Code, "immediate family member" shall take the definition of "family" of the Listing Requirements of Bursa Malaysia Securities Berhad.

Conflicts of interest may arise indirectly - for instance, when a director is an executive officer, major shareholder or otherwise has a material interest in another company or organization doing business with YTB.

## **3. Corporate Opportunities**

Directors are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using YTB's property, information, or position for personal gain; or (c) competing with YTB, *provided, however*, if YTB's disinterested directors determine that YTB will not pursue an opportunity that relates to YTB's business, a director may do so. Directors owe a duty to YTB to advance its legitimate interests when the opportunity to do so arises.

## **4. Confidentiality**

Directors shall maintain the confidentiality of information entrusted to them by YTB or its customers, and any other confidential information about YTB that comes to them, from whatever source and in whatever form or medium, in their capacity as a director, except when disclosure is authorized or legally mandated. For purposes of this Code, "confidential

information" includes all non-public information relating to YTB that might be of use to competitors, or harmful to YTB or its customers, if disclosed.

## **5. Fair Dealing**

Each director should endeavor to deal fairly with YTB's customers, suppliers, competitors and employees. No director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other sharp practices.

## **6. Sustainability**

YTB is committed to the principles of sustainability. As used in this Code, the term "sustainability" includes the concepts of : personal safety, environmental compliance, product stewardship, and the environmental and social impact of our global operations and the products we make and sell. Directors are expected to provide oversight, guidance and direction on sustainability issues and opportunities that have potential impact on the reputation and long term economic viability of the Company.

## **7. Protection and Proper Use of YTB Assets**

Directors must protect YTB's assets and ensure their efficient use. Directors must not use company time, employees, or other assets for personal benefit without prior authorization from the Board or as part of a compensation or expense reimbursement program available to all directors.

## **8. Compliance with laws, rules and regulations**

All directors are expected to understand, respect and fully comply with all of the laws, regulations, policies and procedures that apply to them in their service as a director.

## **9. Encouraging the reporting of any illegal or unethical behavior**

Directors should promote ethical behavior and take steps to ensure YTB: (a) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourages employees to report violations of laws, rules, regulations to appropriate personnel; and (c) informs employees that YTB will not allow retaliation for reports made in good faith.

#### **10. No rights created**

The Code sets forth guidelines for conduct for the Board of Directors. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.

#### **11. Waivers; Compliance of Procedures**

Any waiver of any provision of this Code may only be made by the Audit Committee after due deliberation and a determination by such committee that appropriate controls to protect YTB are in place. Directors shall communicate any suspected violations of this Code promptly to the Chair of the Audit Committee. Violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violations of the Code.

#### **12. Amendments**

This Code may only be amended and modified by the Board of Directors as and when required. Any intervening changes or additions can be by way of circular and memos.