

MCE HOLDINGS BERHAD

(Group of Companies)

CODE OF CONDUCT AND BUSINESS ETHICS POLICY

A code of conduct to guide the Directors and any other employees at executive level and above (hereinafter referred as “employees”) of MCE Holdings Berhad and its Group of Companies (hereinafter referred as “the Company”) as to the practices necessary to maintain confidence in the Company’s integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices shall be outlined in the letter of appointment.

The Board aims to ensure that all Directors and any other employees act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

1) Policy on share trading

As a general policy, all Directors and employees of the Group are discouraged from engaging in speculative trading (as opposed to investing) in the Company’s listed securities, and are reminded to observe the prohibitions imposed on “insiders” in relation to Insider Trading under the Capital Markets and Services Act 2007.

All Directors and key management personnel, identified and designated by the Group Managing Director pursuant to the Board’s Corporate Disclosure Policy (“designated key management personnel”) are required to comply with Bursa Malaysia Securities Berhad’s Listing Requirements on Dealings in Listed Securities under Chapter 14.

The designated key management personnel, must notify the Group Managing Director/Group Financial Controller in writing of any dealing in securities of the Company within 3 market days from the date of trading.

All Directors and designated key management personnel are prohibited from dealing in the Company’s listed securities when they possess material inside information* which has not been made known to the investing public.

* Material Inside information is information which is reasonably expected to have a material effect on:

- the price, value or market activity of the Company’s listed securities, or
- the decision of a holder of the Company’s securities or an investor in determining his choice of action.

2) Anti-Bribery Policy

The Company recognises that over and above the commission of any crime, any involvement in bribery will reflect adversely on its image and reputation. Its aim therefore is to limit its exposure to bribery by:

- Setting out a clear Anti Bribery policy (refer to Appendix A);
- Increase awareness of employees so that they can recognise and avoid the use of bribery by themselves and others;

MCE HOLDINGS BERHAD **(Group of Companies)**

- Encouraging its employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.

Appropriate disciplinary action shall be taken against the employee who does not act according to the policy. The prevention, detection and reporting of bribery or corruption is the responsibility of all persons within the Company.

3. Conflict of interest

While the Company has no wish to interfere in any employee's outside activities, the Company has a policy prohibiting conflicts of interest as follows:

a) Holding a Significant Interest in Suppliers, Customers or Competitors

The Company's policies require that employees (and their immediate family, spouses and family living in the same household) not have any ownership interests in, or own property with, any of the Company's suppliers, contractors, agencies, customers, or competitors (or their office employees) unless the Company determines that such ownership interests does not conflict with the employee's obligations to the Company. These restrictions do not apply to ownership of shares of a public listed company.

b) Outside Work

The Company has a policy requiring that employees not work for, or conduct any outside business with a competitor. Employees may not be engaged in any manner by a competitor of the Company.

In order to determine whether an employee's investments or activities create a conflict, each employee is required to inform outside businesses and ownership interests which relate to the business activities of the Company. This information shall be furnished to Human Resource & Administration Department.

This Policy was adopted on 30 June 2016.

This Policy was last reviewed and revised on N/A .

MCE HOLDINGS BERHAD

(Group of Companies)

Appendix A

Anti-Bribery Policy

Bribery - Bribery is the offering, promising, giving, solicitation or the receipt or agreement to receive any financial or other advantage, or any other inducement from any person or company, (wherever they are situated and whether they are a public official or body, or a private person or company) by an individual employee, agent or other person or body acting on another's behalf.

Corruption – Corruption is the abuse of entrusted power for a private gain.

The Company prohibits:

Bribery of or by any person or company, in any jurisdiction, wherever they are situated and whether they are a public official or body or private person or company or by any individual employee, agent or other person or body acting on the Company's behalf in order to

- (i) gain any commercial, contractual or regulatory advantage for the Company in a way which is unethical or
- (ii) gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual or
- (iii) induce the improper performance of any function that is of a public nature, connected with a business, performed by a body or performed by a person in the course of their employment.

When acting for the Company, political contributions are not allowed and charitable contributions are allowed only within agreed corporate schemes and guidelines.

To ensure the highest level of objectivity in dealing with the Company's customers, suppliers, contractors and agencies and to avoid the appearance of impropriety of acceptance of any gift, entertainment or gratuities that could influence, or be perceived to influence, the following standards are established and should be complied, primarily for the purpose of goodwill and enhancement of business relationships:

- a) Any entertainment offered or accepted should be a reasonable extension of a business relationship. It must be legal and appropriate. The term "entertainment" includes, but is not limited to meals, charitable and sporting events, recreations and hospitality, festival hampers/ gifts, plays and concerts.

Every Head of Department is responsible to review any entertainment offered or received by their staff that they are in accordance to the above guidelines. All claims relating to entertainment need to be approved by the Group Executive Director or the Group Managing Director.

MCE HOLDINGS BERHAD
(Group of Companies)

Appendix A

Anti-Bribery Policy (Cont'd)

- b) Employees may accept gifts of nominal value when they are associated with promotional activities or are simply gestures of goodwill. However, such gifts should generally be valued at less than RM100.00, for examples, key chains, t-shirts, stationery and note pads. When being offered a gift exceeding RM100.00 the employees must report it promptly to the immediate superior. In either situation, the employees should promptly inform the giver the Company's gift policy.

Where the giving of a gift is legal and appropriate, the value ought to commensurate with the occasion and prior approval must be obtained from the Group Executive Director or the Group Managing Director.

- c) No Company employee may solicit, accept or offer, either directly or indirectly, gratuities, bribes or kickbacks of any kind. This includes money, loans, special privileges, personal favours, benefits or services, or anything of value beyond the nominal items discussed above. Such payments or favours may be considered bribery, which violates Company policy, as well as the laws of the country.

The prevention, detection and reporting of bribery or corruption is the responsibility of all persons within or associated with the Group. Reports can be made confidentially to the following persons:

Group Managing Director (*Mobile No. 012-6805386, Email: gohkc@multicode.com.my*)

Senior Independent Non Executive Director (*Mobile No. 019-744 8033, Email: lamshintai@yahoo.com*)

Appropriate disciplinary action shall be taken against the employee who does not act according to the policy.

MCE HOLDINGS BERHAD
(Group of Companies)

**Acknowledgement of Compliance Certificate for
Code of Conduct and Business Ethics**

I have read the Code of Conduct and Business Ethics Policy (hereinafter referred as “the Policy”), which among other things, restates the policies of MCE Holdings Berhad and its Group of Companies (hereinafter referred as “the Company”) prohibiting certain activities deemed illegal, unethical or against the best interest of the Company.

I accept and agree to the restrictions stated in the Policy. I hereby certify that I have complied with such Policies and to the best of my knowledge, all employees under my direct supervision are aware of the policies and are in compliance with its terms.

Signature: _____

Name : _____

Staff Number : _____

Date: _____

MCE HOLDINGS BERHAD
(Group of Companies)

DECLARATION FORM

Name: _____ NRIC: _____

Position: _____ Employee No.: _____

1) Do you hold any MCE HOLDINGS BERHAD's shares? (Yes/ No)

If yes, please state down the number of MCE shares held: _____ unit shares
in the name of _____ (own/ parent/ spouse/ brother/ sister/ child).

2) Do you hold any interest in Suppliers, Customers or Competitors? (Yes/ No)

If yes, please state down the details: _____

I hereby declare that all the information given above is true and correct to the best of my knowledge and belief.

.....
Date: