



PERNEC CORPORATION BERHAD

VENDORS & SUPPLIERS
CODE OF CONDUCTS

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1. Introduction

It is Pernec's intention to select and retain (vendors and suppliers are hereinafter referred to as "Vendors") who share and embrace the letter and spirit of our commitment to integrity. Pernec understands that Vendors are independent entities; however, the business practices and actions of a vendor may impact and/or reflect upon Pernec. Because of this, Pernec requires all Vendors and their employees, agents, and subcontractors (Vendors' employees, agents, and subcontractors shall hereinafter be referred to collectively as "Representatives") to adhere to standards of business code, conduct and compliance while they are conducting business with and/or on behalf of Pernec, that are similar to what Pernec expects from its own employees.

Pernec requires that Vendors and their Representatives conduct themselves in a professional manner at all times while on Pernec property or while conducting business with and/or on behalf of Pernec at the premises of Pernec's customer or Pernec's site or branch offices, in Malaysia or abroad.

Vendors with questions regarding the Pernec Vendor Code of Conduct should e-mail hrd@pernec.com or contact Pernec via other means regarding their concerns.

Pernec maintains its discretion to amend or vary this code of conduct and will notify Vendors for any such amendments or variation.

Legal and Regulatory Compliance Practices

Vendors shall conduct their business activities in full compliance with the applicable laws and regulations in the countries in which they are located and in which they do business while conducting business with/and or on behalf of Pernec and shall require that their Representatives do the same. There are no circumstances that would allow for the disregard of any applicable law or regulatory requirement in the conduct of a Vendors' business activities and none will be tolerated by Pernec. In addition to any specific obligations under Vendors' agreement with Pernec, Vendors shall, without limitation:

- Comply with the anti-corruption laws of the Malaysia. Without limiting to the generality, Vendors may not make any direct or indirect

payments or promises of payment to Pernec's employees or its directors or any government officials for the purpose of inducing the individual to use or misuse his/her position to obtain or retain business.

- Comply with all applicable environmental laws and regulations
- Comply with all applicable Occupational Safety and Health laws and regulations
- Be honest, direct, and truthful in discussions with regulatory agency representatives and government officials.

1.1 Human Rights

Vendors shall respect internationally proclaimed human rights, and shall avoid being complicit in human rights abuses of any kind. Vendors shall respect the personal dignity, privacy and rights of each individual.

1.2 Forced Labour

Vendors shall not use forced or compulsory labour, including, but not limited to, debt bonded labour. Vendors shall ensure that their work relationship with its Worker is freely chosen and free from threats.

Vendors shall ensure that all their workers ("Workers") shall be free to leave their employment/work after giving reasonable notice. Workers shall not be required to lodge deposits of money or similar in order to get or keep their employment/work with Vendors.

1.3 Child Labour

Vendors shall not employ or use child labour. In these Principles "child" means anyone under 16 years of age, unless national or local law stipulates a higher mandatory school leaving or minimum working age, in which case the higher age shall apply. "Child labour" means any work by child or young person unless it is considered acceptable under the ILO Minimum Age Convention 1973 (C 138).

1.4 Non-Discrimination

Vendors shall prohibit direct or indirect negative discrimination based on race, colour, sex, sexual orientation, language, religion, political or other opinion, national or social origin, property, birth or other status, and shall promote equality of opportunity or treatment in employment and occupation.

Vendors shall prohibit and refuse to tolerate, and not confer upon its Workers, any unacceptable or degrading treatment, including mental cruelty, sexual harassment or discrimination gestures, language or physical contact, that is sexual, coercive, threatening, abusive or exploitative.

1.5 Employment Conditions

Vendors shall provide remuneration that meets the Malaysian legal standard on minimum wage. The basis on which Workers are being paid is to be clearly conveyed to them in a timely manner.

Vendors shall secure that working hours are not excessive and comply with applicable local laws.

Vendors shall respect the individual Worker's need for recovery and secure that all Workers have the right to adequate leave from work with pay.

Vendors shall secure that all Workers are provided with written agreements of employment setting out employment conditions in a language understandable to the Worker.

Vendors shall ensure that all Workers are provided with adequate insurance coverage (public liability, all risk, workmen compensation) applicable to their nature of works.

Vendors shall ensure that all foreign nationals employed have the necessary work permits and adheres to the foreign workers policy and applicable local laws.

Vendors shall ensure that there shall be no pinching of staff from Pernecc's employees.

1.6 Safety and Health

Vendors shall do its utmost to control hazards and take necessary precautionary measures against accidents and occupational hazards and

diseases both against the Workers or the public at large. Whenever necessary Workers are to be provided with, and instructed to use, appropriate personal protective equipment.

Vendors shall secure that the Workers are provided with a healthy and safe working environment in accordance with internationally recognized standards.

Vendors shall provide adequate and regular training to ensure that Workers are adequately educated on health and safety issues.

Vendors shall secure that, where it provides accommodation, it shall be clean, safe and meet the basic needs of the Workers, and, where appropriate, for their families.

1.7 Environment

Vendors shall take a precautionary approach towards environmental consciousness and challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.

Vendors shall act in accordance with and abide by the relevant local and internationally recognized environmental standards.

Vendors shall minimise its environmental impact and continuously improve its environmental performance.

Vendors are encouraged to have an Environment Management System ("EMS") in accordance with ISO 14001 or its equivalent and are strongly encouraged to comply with the EMS guidelines of the ISO 14001.

Vendors are encouraged to provide Pernec with environmentally preferred products that are energy efficient, highly recyclable and contain significant amounts of cycled materials and low amounts of hazardous materials.

Vendors are required to eliminate any products and/or components that contain, or that are manufactured with a process that uses, any ozone-depleting substances.

2. Prohibited Business Practices

2.1 Corruption and other Prohibited Business Practices

Vendors shall comply with applicable laws and regulations concerning bribery, corruption, fraud and any other prohibited business practices. Vendors shall not offer, promise or give any undue advantage, favor or incentive to Pernec's employees or directors, any government official, international organization or any other third party. This applies, regardless of whether the undue advantage is offered directly or through intermediary(ies).

2.2 Gifts, Hospitality and Expenses (Business Courtesies)

Vendors shall not, directly or indirectly, offer gifts to Pernec employees or representatives or anyone closely related to these, unless the gift is of modest value. Hospitality, such as social events, meals or entertainments may be offered if there is a business purpose involved, and the cost is kept within reasonable limits. Travel expenses for the individual representing Pernec shall be paid by Pernec. Hospitality, expenses or gifts shall not be offered or received in situations of contract negotiation, bidding or award.

2.3 Money Laundering

Vendors shall be firmly opposed to all forms of money laundering and shall take steps to prevent its financial transactions from being used by others to launder money.

2.4 Competition

Vendors shall under no circumstances cause or be part of any breach of general or special competition regulations, such as illegal cooperation on pricing, illegal market sharing or any other behavior that is in breach of relevant competition laws.

3. Declaration

I/We understand and fully aware of all content of the Vendors & Suppliers Code of Conduct and truly committed to uphold its spirit and shall hereby declare our commitment to comply with.

Signed By:

Name :
Company :
Position :
Date :