



3E PRECISION SDN BHD

CODE OF BUSINESS CONDUCT

1 PURPOSE OF THE CODE OF BUSINESS CONDUCT

1.1 Purpose of Our Code

3E Precision Sdn Bhd has a strong commitment to ethics and integrity, and we are expected to perform our job honestly, diligently and responsibly. Observing the law and the legal system in every country where we do business is the fundamental principle of 3E Precision Sdn Bhd. This Code of Business Conduct has been prepared to guide us in making the right choices when we are called upon to do so. Understanding this Code is vital in maintaining the 3E Precision Sdn Bhd culture and reputation.

1.2 Applicability of our Code

This Code is applicable to all employees of 3E PRECISION SDN BHD, including all business segments and units, operating companies and subsidiaries worldwide. We are all bound by the same Code. In addition, 3E PRECISION SDN BHD expects its business partners to act in a manner consistent with our Code. These include sales agents and distributors, suppliers, consultants, freight forwarders/agents and other third-party providers. They shall be referred to and comply with this Code, and comply with all applicable laws. We only work with business partners who share our 3E Precision Sdn Bhd values and ethics.

1.3 Expectations of Employees

All employees of 3E Precision Sdn Bhd are expected to read, understand and follow our Code, and to act with honesty and integrity when acting on behalf of the Company. We have to follow the laws and regulations that apply. Always seek guidance when you have questions, and report any suspected violations as spelled out in the “Raising Questions and Concerns” section of our Code.

1.4 Additional Expectations of Executives, Managers and Supervisors

Those in supervisory roles must fulfil your duties of organization and supervision, and bear responsibility for all employees entrusted to you. You have the additional responsibility to emphasize the importance of ethical conduct and compliance, and promote them through personal leadership and training. The best way to inspire ethical behaviour in others is to lead by example.

It is the responsibility of all executives, managers and supervisors to see that there are no violations of laws within your area of responsibility that proper supervision could have prevented. You are still responsible, even if you delegate particular tasks.

2 BUSINESS CONDUCT

2.1 Ethics and Integrity

In 3E Precision, we believe that honesty, integrity and fair play are important company assets in business. It is therefore important that you do not offer bribes or other means to obtain an undue or improper advantage, or accept bribes or other means in exchange for granting special favour, in order to ensure 3E Precision’s reputation is not tarnished by dishonesty, disloyalty or corruption. You shall comply with all laws and regulations on prohibited business practices and at the same time, uphold fair business standards in advertising, sales, and competition.

2.2 Privacy and Handling of Confidential Information

3E Precision places utmost importance protecting confidential business information and personal data of employees. All employees shall apply appropriate measures to protect and comply with information and privacy security laws and regulations. All staff records and information collected for our personnel records are treated as confidential unless business needs require otherwise.

3 RESPECTS AND VALUES OUR PEOPLE

3.1 Respecting Our Employees

3E Precision recognises that the well-being of our employees is a crucial factor in our daily business, and is committed to ensure that our employees are treated with respect. 3E Precision follows all applicable labour and legal laws and regulations wherever we conduct business. In addition, 3E Precision aligns practices to industry standards, including the Responsible Business Alliance Code of Conduct, to uphold the human rights of our employees.

3.2 Discrimination and Harassment

3E Precision does not permit nor condone any discrimination against any one because of his or her gender, race, colour, age, religion, sexual orientation, nationality or ethnicity, political affiliation, pregnancy, marital status, disability, veteran status, and/or other characteristic protected under applicable law. No decisions of recruitment, salary adjustment, promotion prospects, staff benefits and access to training shall be based on the above criteria. We do not permit nor condone any form of harassment, violence, abuse or exploitation.

3.3 Freely Chosen Employment

There is no forced or indentured labour in 3E Precision, and all employment is freely chosen and voluntary. In compliance to the *AKTA KERJA 1955 (PINDAAN 2022)*, no slavery or human trafficking is allowed. All employees are treated in a fair and humane manner in addition to freedom of movement in that there are no unreasonable restrictions on entering or exiting company-provided facilities. Employees are not required to surrender any government issued identification, passports, or work permits as a condition of employment, unless such holdings are required by law. Workers¹ shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment beyond the regulatory or industry guidelines. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.

3.4 Child Labour

3E Precision does not employ any person who is under the minimum age requirement stipulated in local labour laws and regulations or under the age for completing compulsory education. We support apprenticeship and internship programs that comply with local laws and regulations, including the health and safety of these participants.

3.4.1 Legal Compliance

In Peninsular Malaysia, under Children and Young Person (Employment) Act 1966 (Act 350), "Child" is a person who has not completed this 15th year of age.

In the conduct of business practice, 3E Precision Sdn Bhd:

- (a) Will not employ children that falls into the definition as stipulated by the Employment Act, notwithstanding any national law or local regulation;
- (b) Will comply with all other applicable child labour laws, including those related to wages, hours worked, overtime and working conditions;
- (c) Is against all forms of exploitation of children. The company does not provide employment to children before they have reached the legal age to have completed their compulsory education, as defined by the relevant authorities;
- (d) Expects its business partners and associates to have and uphold similar standards and abide by country-governing laws in countries wherein they operate. Should violation of these principles become known to the Group and not be remediated, we will take serious action, including discontinuation of the business relationship;

3.4.2 Remediation Procedures

In a case if child labour is found directly or indirectly working for 3E Precision Sdn Bhd, it is vital to act quickly and compliance with the remediation procedures:

STEP ONE:

If you suspect that workers in a factory may be underage, do not approach the workers directly in the first instance, but check their ID as part of a routine document check process without raising the alarm.

STEP TWO:

After the verification, if confirm the child is underage or if ID checks are inconclusive, you should take the following action:

- (a) Remove the child from all work immediately. Preventing the continuation of work and report to your immediate superior.
- (b) Ensure the child is in a safe place.
- (c) Obtain contact details of child and parents/guardian, and wherever possible, the home address.
- (d) Talk to the child to ensure they understand what is happening and why. Listen to them to understand their needs. Explain the possible remediation options and other measures to be put in place. Ensure they agree to participate in the remediation procedures.
- (e) Inform the Human Resource Department.

STEP THREE:

Human Resource Department shall take the following actions:

- (a) Arrange payment of a stipend to the child both during the exploratory phase and throughout the whole remediation procedures. The stipend should be equivalent to the amount the child was earning whilst employed, or at least local minimum wage

standard, whichever is higher. The stipend should be paid in monthly, rather than as a lump sum.

- (b) Contact the parents/guardians to ensure that they understand and agree with what is happening and to explain the ongoing provision of stipend, food, and accommodation. If necessary, identify the education programme and educate the parents about the benefits of schooling/vocational training.
- (c) With younger children, the strong involvement of parents/guardians is particularly important. In cases where parents have sent their child to work, this process of persuasion may be difficult. If necessary, advise the parents to identify other family members to replace for the child to work.
- (d) Review all the personnel records at the particular workplace to identify whether there are any other child workers.
- (e) It is the responsibility of local management and Human Resource Department of 3E Precision Sdn Bhd to implement and ensure compliance with this policy at all the operations and facilities.

3.4.3 Duty to Inform & Notify the Management

All employees in 3E Precision have a continuous responsibility for identifying and reporting the child labour situation to the Management. If an employee is aware of the existence of child labour situation but chooses to remain silent, this is considered as committing a misconduct. In such a situation, the Group reserved the right to take disciplinary action against the Employee.

3.5 Wages and Benefits

Compensation including overtime pay and deductions from wages to employees and use of temporary, dispatch and outsourced labour shall comply with all applicable local labour and wage laws Every employee's salary and benefit commensurate with individual qualification and working experience, with regular review of salary ranges to reflect competitiveness. Salary is highly confidential and personal, and thus, inappropriate to disclose such private information to others, including fellow colleagues.

¹ "Worker" under the Responsible Business Alliance refers to a foreign migrant worker who is recruited and migrates from his or her home country to another country for specific purposes of employment

3.6 Working Hours

Our working hours follow strictly the requirements stipulated in the local labour laws and, if needed, we will review our practices with references to such requirements.

3.7 Freedom of Association

3E Precision recognises the right and freedom of association of our employees in accordance with local laws. And 3E Precision prohibit union membership status being considered as a condition of hire or employment.

4 HEALTH AND SAFETY

3E Precision strives to minimize any potential safety hazards, and complies with all applicable local laws regarding safety requirements. Practices such as proper design, engineering controls and administrative controls are adopted. Appropriate measures shall be taken where possible to eliminate physical and chemical hazards. Where physical or chemical hazards cannot be eliminated, appropriate engineering controls such as physical guards, interlocks and barriers, or closed systems and ventilation are adopted. In addition, appropriate and qualified personal protective equipment and appropriate administrative controls such as safe work procedures are provided. Reasonable steps are taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers. You shall adopt and at all times follow all safety measures put in place.

4.1 Emergency Preparedness

3E Precision identifies and assesses potential emergency situations and events, and their impact minimized by implementing emergency plans and response procedures. You shall follow these plans and procedures which include effective measures such as emergency reporting, employee notifications and evacuation procedures, emergency drills and recovery plans.

4.2 Occupational Injury and Illness

Procedures and systems are established to prevent, manage, track and report occupational injury and illness. You are encouraged to report, classify and record injury and illness cases. Risk Management Committee Group member shall investigate cases and implement corrective measures to eliminate the causes, provide necessary medical treatment and facilitate the return of your workers to work.

4.3 Physically Demanding Work

3E Precision identifies, evaluates and controls our employees' exposure to hazards of physically demanding tasks, including manual handling, heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks.

4.4 Sanitation and Hygiene

3E Precision believes that a clean working environment is beneficial to the well-being of our employees. We strive to maintain a high level of hygiene in the workplace through practices like regular office cleaning, daily cleaning of public/common areas and provision of clean drinking water.

5 CONDUCT WITH OUR CUSTOMERS AND SUPPLIERS

5.1 Fair Competition and Anti-Trust Laws

Competition laws, or anti-trust or anti-monopoly laws, permit markets to develop freely, where businesses compete to provide quality products or services at competitive prices and compete in research and development. 3E Precision takes a serious view of anti-trust laws, abides by the rules of fair competition, and prohibits activities that negatively affect the market. You shall not be involved in price fixing, dividing territories, allocating customers, agreeing to contract terms with our competitors, or other similar activities. You shall not have any agreements or understandings with our customers, suppliers and other business partners that may unlawfully restrict competition. Anyone found in violation of anti-trust laws may be subjected to civil and/or criminal charges.

5.2 Gathering Competitive Information

3E Precision competes ethically and effectively in the marketplace. We gather certain forms of competitive information responsibly and ethically to avoid the risk of violating our Code and the law. As a general rule, you can collect and use information that is publicly available. You can use information from conversations with customers, as long as they are not confidential or related to anti-competition practices. You can use information from reputable advisers and consultants with appropriate assurances that it was properly obtained.

Any improper gathering of information or even an appearance can result in legal trouble for the Company and you. Therefore, you must never seek to obtain or use competitors' confidential or proprietary information either directly from competitors or through misrepresentation or any other improper means such as industrial espionage, bribery, theft or electronic eavesdropping, or communicate knowingly false information about a competitor or its product or services.

5.3 Anti-Bribery

3E Precision adopts a zero-tolerance approach against all forms of bribery and corruption in obtaining business and contracts which is unethical and tarnishes the 3E Precision's reputation. The employees and their family members shall not directly or indirectly solicit, offer, receive or accept any kind of benefit, gift or favours to or from business partners, government officers, customers and vendors which might compromise, or appear to influence the decision relation to obtaining business or awarding contracts. Please refer to 3E Precision Anti-Bribery and Corruption Policy for more details.

6 AVOIDING CONFLICTS OF INTEREST

6.1 Conflicts of Interest

It is our duty to make business decisions in the best interest of 3E Precision, not based on our own personal interests. Conflicts of interest arise when we engage in activities or advance personal interests at the expense of 3E Precision's interests.

A conflict can take the form of a business relationship with, or an interest in, a competitor, customer or vendor of 3E Precision, or participation in outside employment that prevent you from being able to fulfil your responsibilities at 3E Precision. Being able to exercise or are capable of exercising a direct or indirect influence on the company providing goods and services to 3E Precision is considered a conflict of interest. It is important that you recognise and avoid conflicts of interest, or even the appearance of a conflict of interest, as you conduct your professional activities. Do seek guidance from your executives or Risk Management Committee Group members if you are not sure what constitutes a conflict of interest.

You must inform Risk Management Committee Group member immediately of any personal interest you could possibly have in connection with the execution of your professional duties. The Company may take suitable measures to eliminate any conflicts of interest. Having a conflict of interest is not necessarily a violation of our Code, but failure to disclose it always is.

6.2 Insider Trading

You may come across inside information with regard to 3E Precision or that of our customers, suppliers or joint venture partners whose securities are trading on a stock exchange or an organised securities

market. Trading in these companies' shares while aware of inside information about that company is considered "insider trading".

Inside information is any material information which is not public knowledge, which, if it became publicly known, would likely have a significant effect on the price of the insider security. Once material information has been disclosed publicly to the marketplace through established channels and the public has had enough time to absorb the information, it is no longer "inside information".

You must maintain the confidentiality of inside information and not divulge to colleagues who do not need it to perform their duties. You must be careful not to share inside information with those outside the Company, and are not allowed to recommend that a third party acquire or dispose securities for which that information is relevant, or to otherwise induce a third party to do so. Insider trading is illegal.

Executives, managers and supervisors can be held personally liable for damages in some cases if your employee violates insider trading rules and proper supervision could have prevented the violation.

7 HANDLING COMPANY PROPERTIES AND ASSETS

7.1 Handling of Company Property

Company property includes facilities, equipment, vehicles, software, design and product drawings, computers, tools and supplies. You are entrusted with the proper use of these Company assets, and to protect these assets from theft, damage, loss and misuse.

You are not permitted without the consent of your executive, manager or supervisor to make records, files, video or audio recordings, or reproductions using 3E Precision's equipment or facilities if the activity is not directly related to Company business. Any violations of improper handling of company property are treated seriously, and may be subject to disciplinary actions including civil or criminal prosecution.

7.2 Record-Keeping

3E Precision ensures that relevant information are manage securely and consistent with the period specified in the company record retention policy and/or in compliance with all applicable law and regulations. All reports, statement and records, whether held electronically or in hard copy, must be accurate, legible, up-to-date, identifiable and retrievable. Misrepresentation or falsify any information and records within the Company or to organizations or persons outside the Company, is strictly prohibited.

7.3 Company Funds

Employees shall not abuse their positions to use, divert or conduct any transaction with those funds except strictly for authorised purposes. The company agents and contractors should not be allowed to exercise control over the funds. Every employee, agent and contractor must take reasonable steps to ensure that the Company receives good value for the funds spent, and must maintain accurate and timely records of each and every expenditure. Expenses reports must be accurate and submitted in a timely manner.

7.4 Confidential Information and Data Privacy

Information is one of the 3E Precision's most valuable corporate assets. Effective dissemination of information is critical to the success and reputation of the company. Employees are required at all times, to safeguard and under no obligation to use or disclose any Confidential Information or proprietary information unless disclosures are required by specific laws or regulations. Confidential information includes any information which is generally not known to the public and is intended to be protected by the company from public disclosure. This includes information obtained from a third party under the terms of confidentiality or nondisclosure agreement. Confidential Information includes but not limited to

- (i) intellectual property, such as trade secrets, patents, trademarks, copyrights, manufacturing know-how, designs, inventions and database;
- (ii) business and marketing information;
- (iii) salaries information;
- (iv) Group financial Records;
- (v) any material non-public information.

8 ENVIRONMENT AND THE GLOBAL COMMUNITIES

8.1 Environmental Sustainability

Part of being an ethical company means doing business responsibly and protecting our global community. 3E Precision is committed to comply with all applicable environmental rules and regulations, and to minimise adverse effects on the community, environment and natural resources while safeguarding the health and safety of the public and employees. You must abide by these laws and environmental policies and procedures established by the business for the protection of the environment.

8.2 Anti-Money Laundering

Money laundering is the process of disguising the nature and source of money connected with criminal activity such as terrorism, drug trafficking or bribery, by integrating tainted monies into the stream of commerce so that it appears legitimate or its true source or owner cannot be identified.

3E Precision conducts business with reputable customers, suppliers, consultants and business partners involved in lawful business activities and whose funds are derived from legitimate sources. We do not facilitate money laundering, and abide by applicable anti-money laundering laws. Our processes and procedures are designed to detect and deter suspicious forms of payment or customers or other transactions that could involve money laundering. To avoid problems in this area, you must be attentive to and report suspicious behaviour by customers, consultants and business partners. You must also follow all accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with other transactions and contracts.

9 RAISING QUESTIONS AND CONCERNS

9.1 Reporting Misconduct and Violations

Reporting concerns contribute to our ethical culture and help 3E Precision minimise any damages to our fellow employees, other stakeholders, Company and brand. If you are unsure about the right thing to do in a business situation, or whether the Code is being violated, you must seek guidance. You have a responsibility to alert you're the Risk Management Committee Group members if you have knowledge of or any reason to suspect misconduct or actual or potential violation of this Code.

9.2 Risk Management Committee Group

9.2.1 In cases where you have notice of any violations (whether suspected or actual) relating to 3E Precision business conduct regarding fraud, bribery, corruption, financial irregularity or conduct otherwise in violation of this Code committed by employees or others you may report the incident by email us to whistleblowing@3eprecision.com or;

You also can reach the Risk Management Committee Group members as state below :

- (i) David Chin (Production Manager), Contact No: +60108232320
- (ii) Stella Si (Senior HR Assistant), Contact No: +60127099630
- (iii) Sharon Ho (Junior HR Assistant), Contact No: +60189551218

9.2.2 The details on the report must be recorded by members that state in 9.2.1 as per below details :

- (i) Name of Reporter, you can leave as anonymous
- (ii) Date & Time of Incident ?
- (iii) What is the incident ?
- (iv) Where that the incident happen ?
- (v) Is there any witness of the incident ?
- (vi) Are there any other parties involved other than the suspect stated above?

10 CONSEQUENCES OF CODE VIOLATIONS

This Code is an integral part of our ethical culture and reputation. Code violations may result in serious disciplinary action – up to and including termination. In appropriate cases, 3E Precision may also refer misconduct to appropriate authorities for prosecution. This may subject the individuals involved to civil and/or criminal penalty. We have zero tolerance of violation.

The Policy shall come into effect on 2 MAY 2023.

Signature : _____

Name : EASON KEE AH TER

Designation : PRODUCTION DIRECTOR

Date : 2 MAY 2023