



# HUMAN RESOURCE POLICY

Effective Date: Nov 2024  
Revision No: 11

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## 1.0 CODE OF BUSINESS CONDUCT

### 1.1 Policy

**1.1.1 LMS COMPLIANCE LTD.** and its subsidiaries and associate companies in operations now and in future are committed to the highest standards of ethical business conduct. This Code of Conduct is binding on all Employees of **LMS COMPLIANCE LTD.** and its subsidiaries and associate companies, whose actions must always be such as to avoid any impropriety. In addition, the Company and its Employees are subjected to the Laws of Malaysia in every respect.

**1.1.1** The Company will deal only with those organizations having ethical standards compatible with its own declared policy. The Employee will report promptly to the appropriate authorities whenever it knows or is informed by a reliable source, that a client, supplier, subcontractor or other participant (including Employees) in a project of the Company is acting illegally or unethically. Employees found to be in breach of these ethical guidelines will also be subjected to the Company's disciplinary action.

**1.1.1** Employees who have any doubts on the appropriate course of action involving matters of business ethics should consult their Immediate Superior /Head of Business.

### 1.2 Employee Obligations

Employees are expected to give their best efforts at all times so as to provide our clients with quality service. This obligation extends to the protection of the physical and intellectual assets of the Company and its client(s). (ref: MY/HRD/002: *Intellectual Property Policy*) Accordingly, Employees:

**1.2.1** Shall keep confidential all proprietary information of the Company and its client(s), which includes commercial, and human resource data, design and intellectual property of all forms, for example:

- Lab Practices
- Clients Test Results
- Financial statements and projections
- Accounting and bank documents
- Terms and conditions of third party contracts
- Costs for all products and services produced or provided
- Bid proposals and contract negotiations
- Consultants or market research reports

**1.2.1** Shall not speak to the media or publish anything about the Company or client business unless authorized.

**1.2.1** Shall inform the Management about breaches of the law and safety matters as soon as they become aware of them; and where the concerns raised are not answered by the company, employees are free to communicate these concerns to an appropriate government agency. Whenever an agency of government conducts an investigation, Employees should cooperate fully.



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- 1.2.1** Must use the resources of the Company and its client(s) only for relevant business purposes. This applies both to physical (e.g. materials and equipment) and non-physical resources (e.g. software, intellectual property, etc.). (ref: MY/HRD/002: *Intellectual Property Policy*)
- 1.2.1** Shall keep accurate and sufficient records in an organized manner so as to inform fairly and honestly to those who receive (or have use for) the information, in the conduct of the Company business or that of its client(s); and
- 1.2.1** Shall observe established delegation of financial and personnel authorizations.

## **1.3 INTERGRITY OF BUSINESS PRACTICE**

Employees of the Company have the obligation to inform Senior Management as soon as they become aware of practices or circumstances, which may involve them in unethical conduct or conflict of interest. This obligation applies when dealing both within the company and externally. In doing business with any organization, the following standards apply:

- 1.3.1** Employees must not misrepresent themselves or the Company to anyone. If a misunderstanding occurs, immediate clarification should be made once this becomes evident. Employees must not engage in any 'collusive' practices, which may lead to a client of the Company receiving less than a fair and competitive service.
- 1.3.1** Unauthorized copying or use of software and other data or documentation can result in criminal liabilities. The improper use of such proprietary information is strictly forbidden. (ref: MY/HRD/002: *Intellectual Property Policy* & MY/HRD/003: *Company Computer Policy*).
- 1.3.1** Gifts and entertainment shall not be offered or accepted where there is any obligation incurred or such offer or acceptance can be construed as a bribe. The provisions of the Malaysian Anti-Corruption Commission Act 2009 shall apply in all respects. In this regard, only the acceptance of souvenirs, advertising and promotional items of nominal value is permitted. Items of more substantial value should be declined or recorded and disposed of in accordance with stated company procedures. All gift items received whether in kind or in cash should be reported to the Immediate Superior/Head of Business for their further action.
- 1.3.1** Entertainment in the form of customary business amenities such as meals with associated drinks may be accepted or offered provided it is not unduly lavish or frequent.

The Company will meet all reasonable expenses associated with travel, food and accommodation on company-recognized business. Such arrangements should not be accepted from suppliers unless at the supplier's facilities or otherwise unavailable through normal commercial sources.

## **2.0 PERSONAL BEHAVIOUR**

The personal behaviour of Employees should reflect the ethical standards of the Company and respect the rights of the company and its client(s) to the Employee's services as an Employee. A conflict of interest exists if an Employee has any



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interests or activities held outside the Company that may be advanced at the expense of the company or its client(s).

The test to be applied is whether the combination of the Employee's job, the form and amount of external investment and the external company's structure and involvement with the Company could influence their actions as an Employee of the Company. In particular:

- Employee's external personal activities must not give rise to real or perceived conflicts of interest. Should any such occasion arise the Employee must declare any interest openly and abstain from the decision making process.
- Employees may not perform services in competition with the Company either alone or in conjunction with another company or person without prior consent from the Company.
- Employees must not use inside information, confidential material or non-public information for the Employee's own financial benefit either directly or indirectly. In addition to being a violation of law, it will be grounds for instant dismissal. (*ref: MY/HRD/002 : Intellectual Property Policy*)
- Employees may not perform outside work or solicit non-related Company business on company premises or use company time or company or client resources for outside work.
- Employees may not use any association with the Company or its client(s) to sponsor, endorse or advance the interests of another organization except where there is prior written consent of the MD/CT
- Employees may not accept nor may they offer money or any other benefit or advantage in the performance of their duties other than as part of a recognized commission or payment scheme, which is available to all suppliers or providers.
- Staff should not borrow from or lend money to clients, suppliers or contractors of the Company.