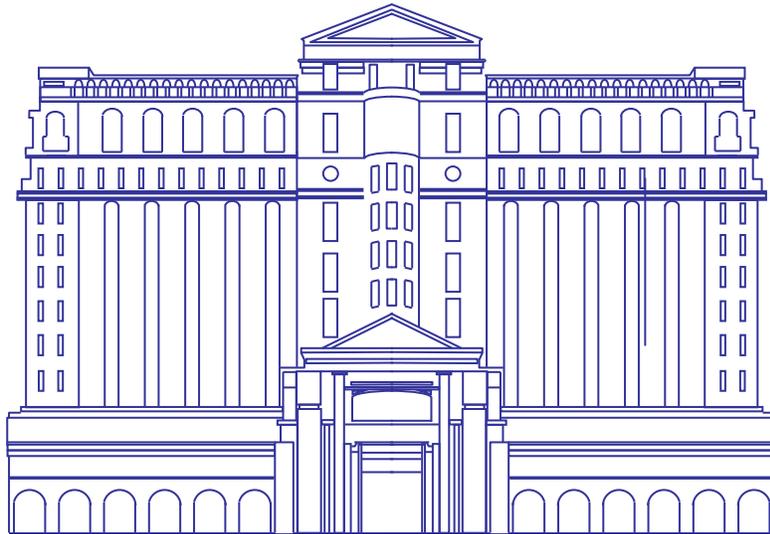




# CODE OF CONDUCT AND ETHICS FOR DIRECTORS



As at 29 May 2020

## **1. INTRODUCTION**

- 1.1 Appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the reputation of Bursa Malaysia Berhad (“**Bursa**” or “**the Company**”) and its subsidiaries’ (“Bursa Group”) and the success of their operations. Adherence to ethical values will create an environment of mutual trust whilst increasing the confidence of the stakeholders, the shareholders and most importantly, the public at large.
- 1.2 Bursa is committed to the highest standard of conduct in all its business dealings and its relationships with its employees, customers, members/ participants, shareholders, stakeholders, regulators and the public, premised on the core principles of sincerity, integrity, transparency and accountability. Bursa takes a zero-tolerance approach towards fraud, bribery and corruption and any form of dishonesty in its business dealings.
- 1.3 The Board of Directors of Bursa (“Board”) is entrusted with the fiduciary responsibility of oversight of the affairs of the Bursa Group for which the Board is committed to ensuring that Bursa Group conducts its business dealings in the manner as stated above. As Directors<sup>1</sup> of the Bursa Group, they are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the applicable laws, rules, regulations, guidelines and internal policies and relevant procedures.
- 1.4 This Code of Conduct and Ethics for Directors (“**Code**”) is to provide the fundamental guiding principles and standards applicable to the Directors where such principles and standards are founded on high standards of professional and ethical practices. The Directors acknowledge that they must exercise judgment in applying the principles embodied in the Code to any particular situation. This Code is not intended to be exhaustive. It should be read in conjunction with the existing framework of all relevant laws and regulations as well as the directives and policies of the Bursa Group including any relevant best practices/ standards in corporate governance and provisions of the constitutions of companies within the Bursa Group.

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<sup>1</sup> Any person who holds the position of Director, or a person performing the functions of a Director of Bursa Malaysia Berhad or the subsidiaries within the Group, as defined under the Companies Act 2016

## **2. PRINCIPLES**

- 2.1 The principles of this Code are drawn and derived from international standards of corporate governance best practices<sup>2</sup> and best practices in Malaysia<sup>3</sup>, where relevant.

### **Duty to act in the public interest and best interest of Bursa Group**

- 2.2 Directors have a statutory duty to act in the public interest and to ensure the maintenance of fair, orderly and transparent market. Directors also have a duty to act in good faith having regards to the best interests of the Bursa Group and its shareholders and stakeholders.

### **Integrity**

- 2.3 Directors discharge and perform their duties to Bursa Group, its shareholders and other stakeholders by honestly observing high standards of ethical behaviour and abiding by all laws, rules and regulations.

### **Accountability**

- 2.4 Directors exercise independent oversight and make decisions solely on merits.

### **Sustainability**

- 2.5 Directors take into account sustainability considerations in setting the strategy direction of Bursa Group.

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<sup>2</sup> ASEAN CG Scorecard, G20/ OECD Principles of Corporate Governance and International Corporate Governance Network (ICGN) Global Governance Principles

<sup>3</sup> Malaysian Code on Corporate Governance issued by Securities Malaysia (SC), Bank Negara Malaysia's Policy on Corporate Governance and Code of Ethics for Company Directors issued by Companies Commission of Malaysia (CCM)

### **3. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Every director in exercising and/or discharging his/ her powers or duties shall comply with all applicable laws, rules and regulations including the constitutions of the Group and guidance and directives issued by the authorities.

### **4. CONFLICT OF INTEREST**

4.1 Directors should avoid conflicts of interest so far as possible.

4.2 Directors are required to declare at all times the nature and extent of any conflict of interests, whether direct or indirect, or whether actual or potential, with the Company or its subsidiaries, and if so required by the relevant Board/ Board Committees, to recuse themselves from any deliberation and decision relating thereto.

4.3 Where a potential or actual conflict arises, every Director shall adhere to the procedures provided by the relevant laws<sup>4</sup> and the relevant internal documents<sup>5</sup> in particular, the ***Guidelines for Handling Conflict of Interest***.

### **5. ANTI-CORRUPTION/ BRIBES**

5.1 To observe high standards of business, professional and ethical conduct, the Directors (whether acting in their own capacity or on the Group's behalf) are committed to refrain themselves from offering, soliciting, giving or receiving any gifts, donations (including political donations), sponsorship, and any other form of benefits (in kind, cash, advantages, travels, entertainments and/or favour and etc) from persons or entities who deal with the Bursa Group where the gift would reasonably be expected to influence the performance of the Director's duties in any aspect.

5.2 When dealing with gifts, donations, sponsorship, and any other form of benefits, a Director shall uphold the highest integrity and ensure compliance with the relevant laws in respect of anti-corruption and bribery.

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<sup>4</sup> Including but not limited to the Companies Act 2016 and Main Market Listing Requirements (MMLR)

<sup>5</sup> Internal documents here refer to the Bursa Group internal policies, procedures, protocols or guidelines. Each Director may access these internal documents on a dedicated solution via the device provided by Bursa

**6. COMPANY ASSETS**

- 6.1 Every Director has a duty to safeguard the Company's assets, including its physical premises, equipment and facilities as well as the records and information/ data (both physical and electronic means).
- 6.2 Company's Assets shall only be used in a safe, ethical and lawful manner and shall not be used for pursuing improper personal gain or opportunity.

**7. CONFIDENTIALITY**

- 7.1 Directors may come into possession or access to confidential, sensitive and non-public information ("**Inside Information**") in the course of their directorship with Bursa Group. Directors must treat all such information in strictest of confidence, not disclose such information to any unauthorised persons and take all necessary precautions to maintain such confidentiality and not use it, directly or indirectly, for any purpose other than what it has been intended, except when disclosure is authorised or legally required.
- 7.2 The obligation to preserve Bursa Group's Inside Information is ongoing even after an individual ceases to be a Director of Bursa Group.

**8. INSIDER TRADING**

- 8.1 Directors who possess Inside Information shall not :-
- a) deal in securities; or
  - b) communicate such information to any unauthorised persons, for the benefit of himself or any other persons.
- 8.2 When dealing in the securities, a Director shall comply with the relevant laws on trading in securities and observe the processes and procedures as set out in the internal document i.e. the ***Guidance to Directors on Dealing in Securities***.

**9. FAIR DEALING AND ANTI-COMPETITION**

In the interests of preserving reputation and integrity of Bursa Group, a Director shall act impartially, honestly and responsibly in dealing with all employees, stakeholders, regulators and public where he/ she shall not:-

- a) compete or aid/ assist other competitors to compete with the Bursa Group; and
- b) take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any unfair dealing practice.

**10. WAIVER**

Any waiver of the application of principles/ standards set forth in this Code may only be made by the Board of Bursa or an authorised Committee/ Panel of the Board of Bursa, as it deems fit and appropriate.

**11. REPORTING VIOLATIONS OF THE CODE**

Directors must immediately report any concern about possible/actual breaches of the Code by any director to the Chairman (or the Senior Independent Director, where applicable) and strictly observe the relevant internal document i.e. the ***Whistleblower Policy and Procedures for Directors***. A Director making such a report must have reasonable and probable grounds and merits and must undertake such reporting in good faith, in the best interests of the Company.

Any improper conduct by a director may also be reported to any Enforcement Agency as prescribed in the Whistleblower Protection Act 2010.

**12. ENFORCEMENT OF THE CODE**

In the event of any violation of this Code by any Director, the Board shall determine appropriate actions to be taken after considering all relevant information and circumstances.

**13. REVIEW**

This Code shall be reviewed by the Board of Bursa every three (3) years or as required when internal or external events warrant a more frequent review to be undertaken.