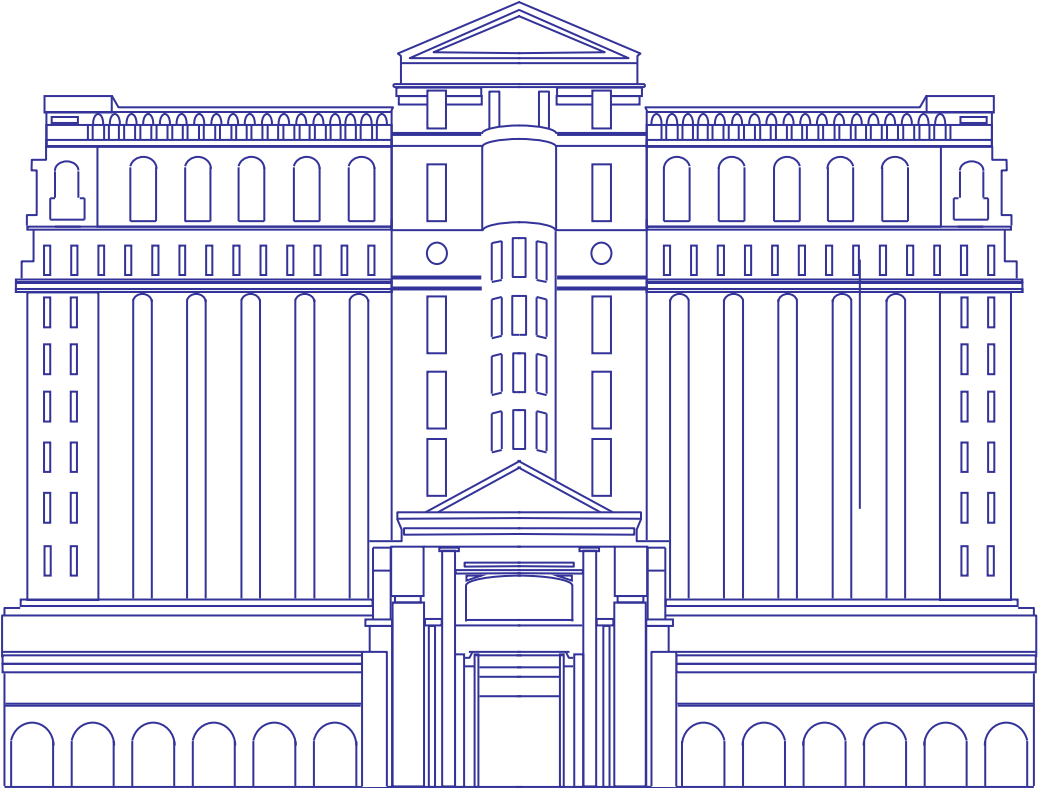




**CODE OF CONDUCT AND ETHICS FOR  
MEMBERS OF THE REGULATORY COMMITTEES  
OF BURSA MALAYSIA BERHAD**



Version 1.0 (1 October 2021)



## CODE OF CONDUCT AND ETHICS FOR MEMBERS OF THE REGULATORY COMMITTEES OF BURSA MALAYSIA BERHAD

### 1. INTRODUCTION

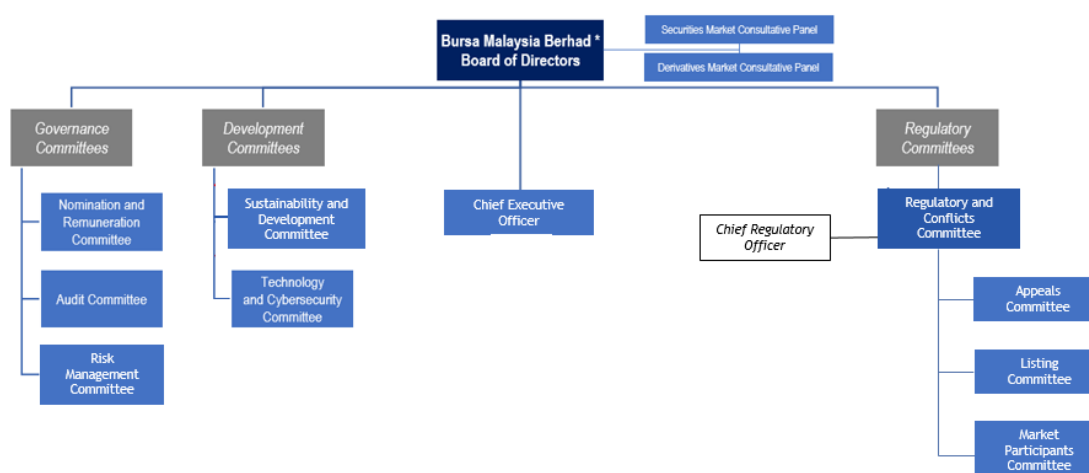
- 1.1 Bursa Malaysia Berhad (“**Bursa**”) is an approved Exchange Holding Company (“**EHC**”) under Section 15 of the Capital Markets and Services Act 2007 (“**CMSA**”).

The duties of an EHC are set out under Section 21 of the CMSA. Section 21(2) of the CMSA provides that in performing its duties, the EHC shall:-

- (a) Act in the public interest, having particular regard to the need for the protection of investors; and
- (b) Ensure that where its own interest or any interest that it is required to serve under any law relating to corporations conflicts with the interest referred to in paragraph (a), the latter shall prevail.

- 1.2 In ensuring the orderly and effective discharge of the duties and functions of Bursa and its subsidiaries (“**Bursa Group**”), the Board of Directors of Bursa (“**the Board**”) has in place a Governance Model of Bursa Group where certain powers and authorities are clearly delegated to the relevant Board Committees and the Chief Executive Officer, which are set out in the Governance Model Document and the Corporate Authority Manual of the Bursa Group.

With respect to the discharge of the regulatory functions, the Board has established four (4) Regulatory Committees (namely, the Regulatory and Conflicts Committee, Appeals Committee, Listing Committee and Market Participants Committee) under the Governance Model of Bursa Group as depicted below, which are responsible to make key regulatory decisions on behalf of the Bursa Group.



\*Exchange Holding Company established pursuant to Section 15 of Capital Market and Services Act 2007.

- 1.3 With the view to ensure the independence of the regulatory functions of Bursa Group having regard to the responsibilities of the EHC to maintain an orderly market and uphold public interest, the Regulatory Committees shall comprise Public Interest Directors of Bursa and/or the external independent individuals (“**Regulatory Committee Members**”). The external independent individuals in the Regulatory Committees



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shall have the relevant industry experience with significant knowledge and expertise in specific areas, to facilitate the discharge of the functions of the Regulatory Committees.

In view of their role as Regulatory Committee Members, they shall embrace a high standard of integrity and ethics in discharging their responsibilities for Bursa Group. Hence, they shall 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 and internal policies or guidelines.

- 1.4 Appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the reputation of Bursa Group and the success of its operations. Adherence to ethical values will create an environment of mutual trust whilst increasing the confidence of the stakeholders, shareholders and most importantly, the public at large.

In this respect, the Bursa Group 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, responsibility and accountability. Bursa Group takes a zero-tolerance approach towards fraud, bribery and corruption and any form of dishonesty in its business dealings, and promotes a culture of integrity within the organisation by ensuring that there are adequate policies, guidelines or procedures which are implemented appropriately.

- 1.5 This Code of Conduct and Ethics for the Regulatory Committee Members (“**Code**”) is established to reflect the Regulatory Committee Members’ commitment to high standards of professional and ethical behaviour in the performance of their responsibilities as members of the Regulatory Committees of Bursa.

No code or guidelines can offer a complete guide to cover all possible situations that might be encountered and as such, the Regulatory Committee Members must exercise judgment in applying the principles embodied in this Code to any particular situation. This Code should be read in conjunction with the existing framework of the relevant laws, rules and regulations governing their conduct.

- 1.6 The Regulatory Committee Members must familiarise themselves with the principles of this Code and commit to upholding them at all times. Accordingly, every Regulatory Committee Member shall provide his undertaking to comply with the Code upon his acceptance of appointment as a Member of any of the Regulatory Committees.

## **2. GENERAL**

- 2.1 The general principles of this Code are based on the duties and responsibilities of the EHC to perform the regulatory functions for Bursa Group pursuant to the applicable laws, rules, regulations and internal policies or guidelines.
- 2.2 The standards of conduct and ethics in this Code are drawn and derived from international best practices in corporate governance as well as the general best practices governing administrative or quasi-judicial proceedings.
- 2.3 References to internal policies herein shall mean Bursa Group’s internal policies, guidelines or procedures which are relevant or applicable to the Regulatory Committee Members.



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- 2.4 The internal policies relevant or applicable to the Regulatory Committee Members include:-
- (a) **Governance Model Document:** to provide the Bursa Group governance model or arrangement as well as the Terms of Reference (“TOR”) of the Regulatory Committees covering relevant areas such as the membership classifications, appointment process, responsibilities of the Regulatory Committees and the rules governing the proceedings of the Regulatory Committees;
  - (b) **Corporate Authority Manual of Bursa Group:** to provide the delegation of authorities by the Board to the Regulatory Committees, and the onward delegation by the Regulatory Committees to the Chief Regulatory Officer/Management;
  - (c) **Guidance on Managing Conflict of Interest In Regulatory Decision Making:** to provide guidance on managing actual/potential conflicts of interest which may affect the process and integrity of decision making by the Regulatory Committees; and
  - (d) **Whistleblower Policy and Procedures:** to manage improper conduct, which cover areas from lodging of reports to investigation and corrective actions that are required to be taken.

### 3. PRINCIPLES

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

- (a) A Regulatory Committee Member shall act in good faith and uphold the public interest, having particular regard to the need for the protection of investors and orderly market.
- (b) A Regulatory Committee Member shall act with honesty, integrity and probity at all times and shall not act in a manner which is adverse or detrimental to the interest and reputation of Bursa Group.
- (c) A Regulatory Committee Member shall exercise due care, diligence and skill in the conduct of his duties.

#### 3.2 Upholding Integrity and Independence

- (a) A Regulatory Committee Member shall discharge and perform his duties to Bursa Group by observing high standards of ethical behaviour and abiding by all laws, rules and regulations.
- (b) A Regulatory Committee Member shall perform his duties fairly and impartially, without bias or prejudice.
- (c) A Regulatory Committee Member shall exercise independent oversight and ensure that he is capable of acting and making decision impartially and independently, free from any extraneous influence, inducement, pressure or interference, direct or indirect from any party or for any reason.

#### 3.3 Compliance with laws, rules and regulations

A Regulatory Committee Member in exercising and/or discharging his function or duties shall comply with all applicable laws, rules and regulations.



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### 3.4 Conflicts of interest

- (a) A Regulatory Committee Member shall refrain from participating in the deliberation and/or decision-making by the Regulatory Committee at its meeting on a matter in which he may be in a position of actual or perceived conflict of interest.
- (b) A Regulatory Committee Member is required to declare the nature and extent of any conflict of interests, whether actual or perceived, and if so required by the relevant Regulatory Committee, to recuse himself from any deliberation and decision-making relating thereto.
- (c) Where a potential or actual conflict arises, a Regulatory Committee Member shall adhere to the internal policies providing guidance on managing the Conflicts of Interest.

### 3.5 Anti-corruption / Bribery

- (a) A Regulatory Committee Member shall refrain himself 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 Bursa Group where the gift would reasonably be expected to influence the performance of the Regulatory Committee Member's duties in any aspect.
- (b) When dealing with gifts, donations, sponsorship, and any other form of benefits, a Regulatory Committee Member shall uphold the highest integrity and ensure compliance with the relevant laws in respect of anti-corruption and bribery.

### 3.6 Company Assets

- (a) Every Regulatory Committee Member has a duty to safeguard Bursa's assets including its physical premises, equipment and facilities as well as the records and information / data (both physical and electronic means).
- (b) Bursa'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.

### 3.7 Confidentiality

- (a) A Regulatory Committee Member shall refrain from giving any public comment about a pending or impending matter in relation to the proceeding of the Regulatory Committee.
- (b) A Regulatory Committee Member may come into possession or access to information, in any form, which is sensitive, highly confidential (whether or not marked "confidential") or not generally available to the public ("Inside Information") in the course of his tenure and in connection with the performance of his role as a Member of a Regulatory Committee. In this respect, a Regulatory Committee Member shall:-
  - (i) keep the Inside Information in strictest of confidence, and not disclose the same to any other party(s) without Bursa's prior consent in writing;



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- (ii) use the Inside Information for the purpose of discharging his responsibilities as a Regulatory Committee Member and never for personal or commercial benefit. The use of the Inside Information will be in such a manner that will fully protect the confidentiality of the Inside Information. Hence, a Regulatory Committee Member will not use or permit the use of the Inside Information for any other purpose, at any time;
  - (iii) take all necessary measures to keep the Inside Information secure;
  - (iv) not store or make copies of the Inside Information unless authorised by Bursa to do so; and
  - (v) return to Bursa or, if Bursa so requires in writing, destroy the Inside Information, including copies thereof, within fourteen (14) days of the expiry of his term of appointment as a Regulatory Committee Member. Upon request by Bursa, a Regulatory Committee Member shall provide Bursa with written confirmation, attesting to the return or destruction of the Inside Information.
- (c) The obligation to preserve Bursa Group's information is ongoing even after an individual ceases to be a Regulatory Committee Member. In such event, the individual shall take all steps necessary to preserve the confidentiality obligations as set out in this Code.

### 3.8 Insider Trading

A Regulatory Committee Member who possess Inside Information shall not:-

- (i) deal in the related securities; or
- (ii) communicate such information to any unauthorised persons, for the benefit of himself or any other persons.

## 4. WAIVER

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

## 5. BREACH OF THE CODE

- 5.1 Any complaint against a Regulatory Committee Member who is alleged to have committed a breach of any provision of this Code shall be made in writing to the Chairman of the Board.
- 5.2 Any improper conduct by a Regulatory Committee Member may also be reported to any Enforcement Agency as prescribed in the Whistleblower Protection Act 2010.
- 5.3 In the event of a breach of this Code by any Regulatory Committee Member, the Board shall determine appropriate actions to be taken after considering all relevant information/ circumstances and due consultation with the Securities Commission Malaysia.



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**6. REVIEW**

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

