

UCREST BERHAD (“Company”) (420056-K)
(formerly known as Palette Multimedia Berhad)

Code of Conduct and Ethics for Directors

1. Introduction

A director should recognise that, as a member of the board, he/she has individual and collective responsibility and the exercise of commercial judgement in the Company. Each director should endeavour to ensure that the Board of directors (“Board”) fulfils its key purpose of safeguarding and improving the Company’s prosperity.

This Code of Business Conduct and Ethics for Directors (“Code”) is intended to focus the Board and each director on areas of ethical risk, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. The Code is part of the Company’s commitment to promote ethical behaviour among the directors and enhance the high standards of personal integrity and professionalism of the directors.

While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles and Company policies. Directors are encouraged to bring questions about particular circumstances that may involve one or more of this Code to the attention of the Chair of the Nomination Committee, who are primarily responsible to administer the Code.

All of our directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behaviour.

2. Conflicts of Interest

Our directors have an obligation to act in the best interest of the Company. All directors should endeavour to avoid situations that present a potential or actual conflict between their interest and the interest of the Company.

A “conflict of interest” occurs when a person’s private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiaries and affiliates. A conflict of interest can arise when a director or a director’s family member takes an action or has an interest that may make it difficult for that director to perform his or her work objectively and effectively. Conflicts of interest may also arise when a director (or his or her family member) receives improper personal benefits as a result of the director’s position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations where the rules are clear.

- Accept any benefit, gift or entertainment that would be illegal or result in any violation of law;

- Accept any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options) from persons or entities who deal with the Company in those cases where any such gift is being made in order to influence the directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest;
- Accept or request anything as a “quid pro quo,” or as part of an agreement to do anything in return for the benefit, gift or entertainment;
- Participate in any activity that you know would cause the person giving the benefit, gift or entertainment to violate his or her own employer's standards.

The following are examples of situations which may constitute a conflict of interest. Situations such as these should be brought to the attention of the Chair of the Nomination Committee for review and clearance before any action is taken:

- Competing with the Company in similar business.
- Having an interest in a transaction involving the Company, a customer or supplier (other than as a director of the Company and not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of your position with the Company.
- Engaging in any conduct or activities that disrupt or impair the Company's existing or potential commercial relationships.
- Accepting compensation, in any form, for services performed for the Company from any source other than the Company.
- Either a director or a member of a director's family receiving benefits, gifts or entertainment from persons or entities who deal with the Company where a benefit, gift or entertainment is intended to influence the director's actions as a member of the Board, or where acceptance could create the appearance of a conflict of interest.

Situations involving a conflict of interest may not always be obvious or easy to resolve. Conflicts of interests involving the directors, or questions concerning potential conflicts, shall be brought to the Chair of the Nomination Committee, who may consult with the Company's legal counsel as appropriate.

It shall be noted that the above conflict of interest principles and conduct does not apply to actions or transactions that are duly tabled and approved by the shareholders in accordance to the Listing rules of Bursa Malaysia.

3. Corporate Opportunities

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors are prohibited from taking for themselves business opportunities that are discovered through the use of corporate property, information or position. No director may use corporate property, information or position for personal gain,

and no director may compete with the Company. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where the director takes away from the Company opportunities for sales or purchases of products, services or interests.

4. Protection of Confidential Information

Directors should maintain the confidentiality of information entrusted to them by the Company, its customers, consumers or suppliers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, its customers, consumers or suppliers, if disclosed.

5. Protection and Proper Use of Company Assets

Protecting Company assets against loss, theft or other misuse is the responsibility of everyone who acts for the Company, including directors. Loss, theft and misuse of Company assets directly impact our profitability. All of the Company's assets should be used for legitimate business purposes.

6. Compliance with Laws, Rules and Regulations

The Company is strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No director of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason when conducting business for the Company.

7. Trading on Inside Information

Using non-public, Company information to trade in securities, or providing a family member, friend or any other person with a "tip", is illegal. All such non-public information should be considered inside information and should never be used for personal gain. Directors are required to familiarize themselves and comply with the Company's policy against insider trading. Directors should contact the Company Secretary before engaging in any transaction involving Company securities.

8. Bribery and Corruption

UCrest Berhad is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and in implementing and enforcing effective systems to counter bribery and corruption.

Employees shall not offer, give, solicit or accept any bribes in order to achieve any business or personal advantage for themselves or others or engage in any transaction that contravene any applicable anti-bribery or anti-corruption laws.

9. Money Laundering

Money laundering is a process by which persons or groups try to conceal the proceeds of illegal activities or try to make the sources of their illegal funds look legitimate.

Employees should always ensure that they are conducting business with reputable customers, for legitimate business purposes and with legitimate funds. Employees need to be mindful of the risk of UCrest Berhad's business being used for money laundering activities and if they suspect money laundering activities, they should report it to their respective Head of Department or the relevant person designated by the Company.

10. Preventing the Abuse of Power

The abuse and misuse of power or authority in the course of performing work can occur both with external stakeholders and internally among staff. The effects can be damaging to morale and to working relationships.

If occur any abuse of power or authority in the Company, employee should report it to their respective Head of Department or the relevant person designated by the Company.

11. Compliance with This Code and Reporting of Any Illegal or Unethical Behavior

Every director is expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with promptly. Violations of the Code that involve illegal behaviour will be reported to the appropriate authorities, after consulting with counsel.

Directors should promptly communicate any suspected violations of this Code to the Chair of the Nomination Committee. Any concerns relating to the Chair of the Nomination Committee should be communicated to the Chair of the Audit Committee. Violations will be investigated by or at the direction of the Nomination Committee, the Audit Committee or the Board as appropriate.

Directors should promote ethical behaviour and an environment in which the Company encourages employees to talk to supervisors, managers or other appropriate personnel about illegal and unethical behaviour and, when in doubt, about the best course of action in a particular situation. The Company will not tolerate any kind of retaliation for questions, reports or complaints regarding misconduct that were made in good faith.

12. Waivers and Amendments

The Code is subject to review from time to time by the Nomination Committee. Any waiver of any provision of this Code for any director may only be granted by the Board. Amendments to this Code must be tabled and approved by the Board only.