

## **1.0 INTRODUCTION**

In line with good corporate governance practices, the Board, the Management and employees of Kelington Group Berhad (“Kelington” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) have made a commitment to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. This Code of Ethics and Conduct (the “Code”) sets out the principles and standards of business ethics and conduct of the Group.

## **2.0 OBJECTIVE**

The objective of the Code is to assist the Directors and Employees (as defined under Clause 3 of the Code) in defining ethical standards and conduct at work. The Code is not intended to be exhaustive, and there may be additional obligations that Directors and Employees are expected to behave or conduct when performing their duties. For all intents and purposes, all Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

## **3.0 APPLICABILITY**

The Code is applicable to all employees (including full time, probationary, contract and temporary staff) (“Employees”) and Directors of the Group. Each Employee has a duty to read and understand the Code. Violation of any of the Code’s provisions can result in disciplinary action, including termination of employment. If a Director requires further clarification on the Code, the Director may refer or highlight any concerns to the Chairman of the Board, whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior, Head of Department or the Chief Operating Officer.

## **4.0 CORE AREAS OF CONDUCT**

### **4.1. BUSINESS CONDUCT**

#### **4.1.1 Dealing with External Parties**

##### **4.1.1.1 Vendors and Business Partners**

4.1.1.1.1 The Company shall take a collaborative approach in all their partnerships ensuring that employees address the specific needs of the stakeholders, while offering products, services and solutions.

4.1.1.1.2 The Company shall conduct business with vendors or business partners that share the same ethical commitment as the Company, and shall avoid conducting business with vendors or business partners who are likely to harm the Company’s reputation.

4.1.1.1.3 Facts shall be weighed objectively and impartially to decide on vendors or business partners.

4.1.1.1.4 Employees shall not exert or attempt to exert influence to obtain privilege treatment for any particular vendor. Vendors in competition for contracts with the Company shall at all times be able to have confidence in the integrity of the Company’s selection processes.

#### **4.1.1.2 Governments**

- 4.1.1.2.1 Employees shall hold themselves up to the highest standards of conduct and aim to proactively engage with the government to improve the social and economic conditions.
- 4.1.1.2.2 Employees shall be aware of and adhere to the relevant laws and regulations pertaining to relations between government employees and customers, suppliers and business partners.
- 4.1.1.2.3 Employees shall not provide gifts to government employees or those acting on the government's behalf if doing so violates certain local laws and regulations or could be reasonably construed as an action to seek special favour.

#### **4.1.1.3 Investors, Media, Analysts and Others**

- 4.1.1.3.1 Any employee approached by investors, prospective investors, media and analysts on confidential information shall refer such requests to Group Finance and Administration Department.
- 4.1.1.3.2 Employees shall also refer any request for information on the Company's business from investigators or law enforcement officials to the Group Finance and Administration Department.
- 4.1.1.3.3 Employees shall not initiate contract with the media and analysis unless it is part of their job responsibilities, and with prior management approval and knowledge. In all instances, employees shall exercise caution in their communication.

#### **4.1.1.4 Competitors**

- 4.1.1.4.1 Employees shall compete fairly and ethically within the framework of applicable competition laws.
- 4.1.1.4.2 Employees shall exercise caution in all business contracts and contacts with competitors, suppliers and vendors and seek advice from Group Finance and Administration Department if in doubt whether an action violates any competition laws.
- 4.1.1.4.3 Employees shall disassociate themselves and the Company from participation in any possible illegal activity with competitors and avoid communicating sensitive or confidential information which includes pricing policy, contract terms, marketing and product plans and any other proprietary information.
- 4.1.1.4.4 Employees shall not use improper or illegal means to acquire a competitor's trade secrets or other confidential information. When working with such information, employees shall use it in the proper context and for legitimate purposes such as to evaluate the merits of the products, services and marketing of the Company. Such information shall only be made available to other employees on a need to know basis.

#### **4.1.2 Authority to Make Commitments**

- 4.1.2.1 Employees are expected to be aware of and adhere to the Company's defined delegation of authority guidelines and processes for key functions and commitments, limits of authority documents and supplementary procedural documents.

4.1.2.2 Commitments that bind the Company shall only be made by employees who are authorized to do so and in accordance with established limits of authority guidelines. It is not acceptable for employees to make any business commitments whether oral or written that contradict established guidelines and which create a new agreement or modify an existing agreement without proper approval consistent with the limits of authority guidelines.

#### **4.1.3 Money Laundering**

4.1.3.1 Money laundering is the process of concealing the identity of proceeds from unlawful activities to convert “dirty” money to a legitimate source of income or asset. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 in Malaysia.

4.1.3.2 Employees shall be aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.

4.1.3.3 Employees are expected to be mindful of the risk of the Company’s business being used for money laundering activities and to raise any suspicious transactions to their immediate superior.

#### **4.1.4 Bribes and Corruption**

4.1.4.1 Employees shall not offer, give, solicit or accept bribes in order to achieve business or personal advantages for themselves or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.

4.1.4.2 Employees shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorized remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.

4.1.4.3 Prior to giving or accepting any business amenity or other gifts (in whatever form or value), employees shall assess the appropriateness of their actions by assessing if the action could influence or could reasonably give the appearance of influencing the business relationship of the Company with that organization or individual or any business decision arising out of that business relationship.

#### **4.1.5 Gifts, Entertainment and Others**

4.1.5.1 As a general rule, employees are discouraged from giving or accepting gifts, entertainment and other benefits to or from business partners. Notwithstanding this, the Company recognizes that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate contribution to good business relationships.

4.1.5.2 Generally, all invitations to business luncheons or dinners may be given or accepted by the employees. Employees receiving or giving the gifts, entertainment and other benefits is responsible for assessing whether it is appropriate and within the boundaries set out in this Code.

The following rules and guidelines shall be observed:

- 4.1.5.3 The purpose of the gifts, entertainment and other benefits shall never influence business decision-making processes or cause others to perceive an influence.
- 4.1.5.4 The situation in which the gifts, entertainment and other benefits is received or given shall not be in connection with contractual negotiations of similar situations.

## **4.2 EMPLOYEE CONDUCT**

### **4.2.1 Workplace Environment**

- 4.2.1.1 Employees shall strive to maintain a healthy, safe and productive work environment which is free from discrimination or harassment based on race, religion, political opinion, membership in political group, gender, sexual orientation, marital status, national origin, disability, age or other factors that are unrelated to the Company's legitimate business interests.
- 4.2.1.2 Employees shall avoid any conduct in the workplace that creates, encourages or permits an offensive, intimidating or inappropriate work environment including, but not limited to:
  - 4.2.1.2.1 Threats or comments that contain discriminatory or harassment elements;
  - 4.2.1.2.2 Unwelcome sexual advances;
  - 4.2.1.2.3 Violent behaviour or actions;
  - 4.2.1.2.4 Misuse or abuse of position of authority;
  - 4.2.1.2.5 Inappropriate dressing in violation of the dress code or policy of the Company;
  - 4.2.1.2.6 Possession of weapons of any type; or
  - 4.2.1.2.7 Use, possession, distribution or sale of illegal drugs, alcohol or any prohibited substance, except for approved medical purposes. The consumption of alcoholic beverages on company premises is only permitted for company-sponsored events and with prior management approval.

### **4.2.2 Working Attitude**

- 4.2.2.1 Employees are expected to be adaptive and optimistic with continued energy and confidence to meet global challenges.
- 4.2.2.2 Employees are encouraged to collaborate across markets, functions and teams towards achieving Kelington Group's common goal.
- 4.2.2.3 Employees shall support the establishment of centres of excellence and innovation to enable knowledge sharing and the free-flow of ideas across Kelington Group.
- 4.2.2.4 Employees are expected to behave in a professional and harmonious manner, by treating each other with respect, dignity, fairness and courtesy.

#### **4.2.3 Protection of Assets and Funds**

Directors and Employees must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

#### **4.2.4 Business Records and Data Integrity**

Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. The preparation and maintenance of accurate and adequate business records are the responsibility of each Employee. No unauthorized, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances.

#### **4.2.5 Confidential Information**

It is pertinent that all Directors and Employees exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group which is acquired in the course of their employment, and are strictly prohibited to disclose to any person, unless the disclosure is duly authorized or legally mandated. In the event that a Director or an Employee knows of material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director or Employee involved until it is publicly released.

### **4.3 CONFLICTS OF INTEREST**

The Directors and Employees should avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals and the interest of the Group. Directors and Employees must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (directly or indirectly).

In addition, a Director or an Employee shall avoid any situation in which the Director or Employee has an interest in any entity or matter that may influence the Director or Employee's judgment in the discharge of responsibilities.

#### **4.3.1 Competing against Kelington Group**

4.3.1.1 Employees shall not engage in activities that have conflict with the business interests, even in their own time, including commercially marketing products or services in competition with the current or potential offerings of the Company.

4.3.1.2 Employees are not allowed to provide any form of assistance to organizations that market products or services in competition with the Company regardless if they receive any direct or indirect remuneration of any kind for the assistance provided. Accordingly, employees shall not work for the competing organization in any capacity as an employee, consultant or as a member of its board of directors.

#### **4.3.2 Supplying to Kelington Group**

4.3.2.1 Employees shall not supply to the Company, represent a supplier, work for a supplier or be a member of the supplier's board of directors during your employment with the Company.

#### **4.3.3 Insider Trading**

4.3.3.1 Employees who are in the possession of market sensitive information are not allowed to trade in securities of the Company or the shares of another listed company if that information has not been made public. In the context of Malaysian law, insider trading is an offence defined under the Capital Market and Services Act 2007. The laws of other country on insider trading may be applicable in the context of inside information concerning company listed outside of Malaysia.

4.3.3.2 Further, employees shall not disclose such price sensitive information to any third party or encourage any other person to deal in price-affected securities.

4.3.3.3 Employees must consult their respective Head of Department if unsure of the status of the information held by them.

4.3.3.4 Employees must ensure that all transactions in the Company shares comply with the procedures set out in the Bursa Malaysia Listing Requirements and the law on insider trading.

#### **4.3.4 Relative of Employees**

4.3.4.1 Employees shall disclose to the Company if any relative (for this Code, "relative" comprises employee's spouse, parents, children, brothers, sisters and spouse of child, brother or sister) provides any form of goods or services direct or indirect to the Company, or is a competitor, vendor, business partner, contractor or consultant to the Company. Employees shall avoid or abstain from participating in or making decisions on any deal involving employee's relative.

4.3.4.2 If employee's relative is a competitor or supplier of the Company or is employed by one, employees are expected to exercise extra caution in their communication and conduct to ensure the security and confidentiality of information important to the Company and to avoid and/or create a conflict of interest situation.

#### **4.3.5 Personal Financial Interest and Borrowings**

4.3.5.1 Employees shall not have a financial interest in any organization that the Company conduct business with or compete with if that interest results in or appears to present a conflict of interest situation for the employees with the Company. Employees shall disclose such financial interest to Group Human Resource if it will cause or result in a conflict of interest situation.

4.3.5.2 Employees are prohibited from borrowing from any organization that the Company conduct business with or compete with, unless the organization is a legal financial institution and the loans are granted at rates that are available to the general public. Additionally, employees are also prohibited from borrowing from representatives of any organization that the Company conduct business with compete with, regardless of the nature of business of the organization concerned.

## 5.0 REPORTING OF VIOLATIONS OF THE CODE

Any Employee who knows of, or suspects, a violation of the Code, is encouraged to whistle blow or report the concerns through the Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the Code are available on the Kelington website. No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

## 6.0 REVIEW OF THE CODE

The Board will monitor compliance with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate.

### DECLARATION BY EMPLOYEE

I, \_\_\_\_\_ (NRIC/Passport No. \_\_\_\_\_), hereby confirm that I have read and understand the Code of Conduct ("Code") and agree to observe and adhere to the Code, as amended from time to time. I shall conduct myself with complete professionalism, integrity and be true to the spirit of the Code in the daily execution of my duties and assignments and as an employee of Kelington Group Berhad. I acknowledge that failure to abide by the Code will lead to the appropriate action being taken against me.

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Signature