KULIM (MALAYSIA) BERHAD

CODE OF BUSINESS ETHICS (COBE)
MESSAGE FROM THE MANAGING DIRECTOR

Dear fellow employees,

At Kulim (Malaysia) Berhad and its Group of Companies (“Kulim”), we believe that every successful business needs to be derived from absolute integrity and uphold an ethical culture. We are committed to maintaining the highest standards of integrity and professionalism in conducting our business.

Business integrity that is formed from the values we put into practice is an aspect that impacts our employees, customers, business partners and other stakeholders. What you say, the way you act and treat others is critical to our success, reputation and brand. As you know, in our daily business operations, we are obliged to comply with the country’s laws and adhere to Kulim’s policies, procedures, standards, and guidelines. Above and beyond that, we operate with high integrity and fairness, making it part of our daily business operations practices that are embedded within our corporate culture. All of these are key to building trust and confidence towards our brand.

In reflecting our commitment to uphold the integrity in our businesses, Kulim has adopted the Code of Business Ethics (“COBE”). The COBE contains principles of integrity and ethics that will serve as a guide to behaviour beyond mere compliance with laws and regulations. It will also act as a substantial guideline in making the right decisions when faced with difficult business choices.

I believe all of you are capable of making the right decisions, but it must be in line with the COBE and it is our responsibility to seek guidance from our superiors, peers or from any other internal sources, to help us identify the appropriate solutions. The COBE is to apply to all employees and directors within the Kulim Group. Thus, it is our duty to read, understand, and abide by this COBE.

Furthermore, in seeking excellent results while adhering to the highest standards of business ethics, we expect our external stakeholders namely contractors, subcontractors, vendors, consultants, representatives, and others performing work for or on behalf of Kulim to abide by the guidelines as stated in the COBE.

By publishing this COBE, I hope that all of you to familiarise yourselves and stand guided by our COBE. Together, we work as a team to ensure that our integrity will never be compromised and make Kulim a high performing organisation. With this, I hereby launch a new COBE for the Kulim Group.

MOHD FARIS ADLI SHUKERY
Managing Director
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1. OUR VISION

To be the most progressive, efficient, profitable and respectable agribusiness company in the region.

2. OUR MISSION

- Committed to generate sustainable growth and profits, and consistently enhance our stakeholders' value;
- To provide extensive professionalism and innovation to drive business forward;
- To achieve operational excellence through continuous improvement and best practices;
- Produce trusted products and services of superior values;
- To strive towards high business ethics and governance; and
- To be an exemplary corporate citizen that responsible to the society and environment.

3. CORPORATE VALUES

We believe that the spirit of caring is integral to the prosperity and survival of our business. Our concept of caring integrates and extends beyond our capital providers, to include our employees, our society and our environment. It means building our COMPETITIVE capacity with intense biasness towards ACTION in generating profitable growth whilst being firmly guided by our pledge to be RESPONSIBLE and ETHICAL.

COMPETITIVE ...We ensure our shareholders are rewarded with superior returns.

ACTION ...We teach and nurture the same spirit among our employees.

RESPONSIBLE ...We contribute and enrich the lives of our community and society.

ETHICAL ...We treat the earth with respect for it has given us our reason for being.

We CARE ...so we share.
4. INTRODUCTION

Kulim (Malaysia) Berhad and its Group of Companies (“Kulim”) is committed to creating a culture that promotes the highest level of ethics and will continue to maintain it at all times in its business dealings. This Code of Business Ethics (hereafter referred to as the “COBE”) is part of Kulim’s overall corporate enhancement initiative. It is in line with the increasing need for good and effective corporate governance practices in the conduct of businesses.

The COBE will not only provide a moral compass to ensure that our behaviour is in line with Kulim’s corporate values, but it also promotes legal compliance and procedural conformity.

It is the responsibility of each and every director and employee to understand and act in accordance with the policies, principles and standards detailed out in this COBE. The management reserves the right to initiate disciplinary and/or legal action against any director or employee found to be in contravention of the COBE.

4.1 Objective

This COBE outlines the ethical principles that govern decisions and behaviour that you may encounter in conducting business dealings. The COBE is to guide you in achieving and retaining a high standard of business ethics and to display professional conduct while performing duties.

Although the COBE may not address every situation, it describes your responsibilities and Kulim’s expectations of each individual to whom the COBE applies. It will help you to recognize situations that might lead towards a potential ethical issue and guide you to decide on next course of action.

4.2 Scope

This COBE is intended to apply to every employee of Kulim. It is also intended to apply to every director, executive and non-executive. Joint venture companies in which Kulim is a non-controlling co-venture and associated companies are encouraged to adopt the COBE or similar principles and standards.

Kulim also expects all the business associates such as contractors, subcontractors, consultants, agents, government officials, customer representatives and others performing work or services for or on behalf of Kulim are to comply with such standards, where relevant. Failure to comply with the principles and standards set out in this COBE may result in the termination of the non-complying party’s relationship with Kulim and other adverse consequences.

If any law/regulation conflicts with a policy sets out in this COBE, you should comply with the law with consultation from your Head of Department or Official in charge of Operating Unit or Head of Governance Division or Legal Department.
5. DEALING WITH COMPLIANCE

5.1. Compliance with Statutory and Regulatory Requirements

Kulim is committed to doing business the right way, by acting ethically and consistently with this COBE, its policies and all applicable laws, rules and regulations in the conduct of business and activities in countries where it operates.

You have a continuing obligation to familiarise yourself and at all times comply with the applicable laws relating to your job responsibilities.

5.2. Compliance with Company Policies and Procedures

Kulim’s policies and procedures are established as guidance and for the efficient and effective business operations. They are also to ensure that the business objectives are achieved in a timely and proper manner. If you require further clarification or believe any policies and procedures to be inappropriate or outdated, you may highlight your concerns to your Head of Department. Similarly, all Heads of Department should ensure that effective business and process controls are in place in their respective area of responsibility.

You shall strictly adhere to all policies and procedures of Kulim. Failure to comply with the approved policies and procedures of Kulim will be investigated and may lead to disciplinary action being taken.

Apart from observing Kulim’s policies and procedures, you are encouraged to adopt best practices, standards and guidelines as they can drive strong governance and support a continuous improvement culture.

6. DEALING WITH EMPLOYMENT AND WORK ENVIRONMENT

Kulim aims to provide a conducive, healthy, safe and inclusive working environment where no one is exposed to unnecessary risks and at all times will treat everyone with respect, trust, dignity and kindness.

Kulim is also committed to developing employees’ career paths, bringing about immediate and long-term benefits to the organization and other stakeholders and ensuring a sustainable future. Kulim will attract, develop and retain qualified, creative and innovative people, and strive to provide full meaning to the work and effort of all its people that is ultimately translated in terms of strong value contributions that will benefit the community and society at large.

Kulim focuses on ensuring compliance with applicable principles and requirements including environmental and social standards.

Thus, you shall conduct at all times responsibly, ethically, honestly, with integrity and respect for one another.

6.1. Core Labour Standard

Kulim is dedicated to ensuring the rights of all employees including contract, temporary and migrant workers are respected according to local, national and ratified laws and best practices.

6.1.1. Employment of Children and Young Persons

You shall not knowingly engage in or support the use of child labour as defined by Malaysia’s laws and laws of the countries in which Kulim operates, and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child.
You shall take appropriate action to prevent the use of such labour and they shall not be exposed to situations in or outside of the workplace that are hazardous, unsafe or unhealthy.

6.1.2 Employment Contract, Remuneration and Working Hours

Kulim shall ensure that employees are given in writing, in a language that they understand with the description of the duties, rate of pay, working hours, leave and any other benefits of employment entitled to them.

You shall honour the agreed remunerations stated in the contract of service or Collective Agreement and payment will be made in a manner that is of convenience to the employees. You shall not make any deductions apart from the statutory deductions, from the employees’ salaries unless they are legal and permitted. Details of payment will be clearly shown in the employees’ payslips for their easy reference.

6.1.3 Forced and Bonded Labour

You shall not engage in or support the use of forced labour in all the operations and administrations. Forced labour is defined as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”.

6.1.5 Rights of Employees

Kulim recognises and respects the rights of employees to form and/or join trade unions of their choice which are given due recognition by Kulim.

You shall not engage in nor support discrimination in any form. You shall not support and will not engage in the use of corporate punishment, mental or physical coercion, and verbal abuse.

You shall recognise and respect the rights of employees and freedoms relating to reproduction and reproductive health that will include the right to make decisions concerning reproduction; free of discrimination, coercion and violence as long as it is not against the law, rules and regulations of the country.

6.2 Criminal Activities

You shall at all times uphold the good name and reputation of Kulim in all your business dealings. You shall not engage or be involved in any behaviour or activities that may be categorised as subversive or commit any wrongdoing or crime including criminal breach of trust that is punishable under the laws of the country of which the business is conducted. You must ensure that Kulim’s property, facilities, products and services are not being used for the purpose of financing or assisting criminal or terrorism activities.

6.3 Drug at Workplace

Kulim operates a Zero Tolerance and you shall not use, manufacture, possess, sell or traffic illegal drugs and abuse prescribed drugs.

As for the non-employee, he/she shall be required to leave premises with immediate effect and/or be subject to other action(s) deemed appropriate.
6.4 Grievances

Kulim recognises the value and importance of full discussion in clearing up misunderstandings and preserving harmonious relationships. Every reasonable effort shall be made both by the Company and employee to dispose of any grievances or complaints. The procedure is designed to ensure that there is a transparent process for ensuring stakeholders’ grievances and complaints are dealt with fairly, consistently and promptly.

The following is an indication of situations that could potentially stir up grievances:

Administrative and General Grievances
- Administration of policies, procedures and rules by the corporate office, agency house, operating units and departments;
- Inequity of wages
- Job classifications
- Incentive systems
- Arbitrary rules by supervisor
- Unfairness of favoritism
- Layoffs
- Promotions
- Transfers
- Safety and health

The following are some examples of employee’s complaints which fall into the category of management prerogatives;
- Location of company’s office or operation
- Selection and hiring of employees
- Size and composition of work-force
- Organizational structure
- Method of operations
- Quality requirements
- Determination of prices
- Sales practices and advertising
- Security requirements

The detailed process for dealing with grievances can be found in the Grievance Procedure.

6.5 HIV/AIDS/Other Contagious Diseases at Workplace

Kulim recognises the seriousness of HIV/AIDs/other epidemics and their impacts on the workplace and committed in so far as is reasonable and practicable, to providing and maintaining a safe and healthy working environment including from the diseases aspect for all its employees and others who may be affected by Kulim’s activities.

You shall support efforts and comply to all measures implemented to reduce the spread of infection, minimize the impact of the diseases and not discriminate or tolerate discrimination against employees or job applicants on any grounds, including HIV/AIDS.

6.6 Outside Employment and Activities

You must dedicate your time and focus to the satisfaction of your employment or contract obligations to Kulim. Thus, you shall not either directly or indirectly engage with the outside employment or business or service which is in conflict or may be perceived to conflict or compromise the proper performance or impair your ability to fairly perform your duties. You shall not use any properties or assets of the Company for your personal benefit or benefit of others, other than for the benefit of Kulim.

If you are invited to serve on any associations or bodies or councils or as an appointed or official representative of Kulim, a written approval from the management shall be obtained. Despites such approval being obtained, you must ensure at all times that your duties and obligations to Kulim, and the best interests of Kulim will not be compromised. All fees and/or remuneration that you receive in connection with such membership or involvement must be paid over to Kulim. This restriction does not apply to social or community-related clubs.
If you are currently engaged with the outside employment or business or service having or potentially having a conflict of interest, you must disclose them immediately as required by Kulim’s policies on Declaration of Assets and Conflicts of Interest.

6.7 Safety and Health at Work

Kulim aims to become a “Zero Accident” organisation and is committed, in so far as is reasonable and practicable, to providing and maintaining a safe and healthy working environment for all, employees and other parties who may be affected by our activities.

You must co-operate with those responsible for Occupational, Safety and Health (OSH) to ensure a healthy and safe working environment by:

- Familiarise yourself and comply with the applicable OSH legislations, regulations and Codes of Practice.
- Act consistently with OSH policies and procedures.
- Know what to do if an emergency occurs at your workplace.
- Ensure the safety and health of others (fellow employees or external parties).
- Promptly report to the management any OSH related incidents or unsafe practices.

6.8 Sexual Harassment

Kulim recognises that sexual harassment exists both within the workplace and in society at large. You shall eradicate all forms of sexual harassment in the workplace and whenever possible influence the behaviour of fellow employees in a wider social setting.

Kulim wishes to maintain a safe and healthy working environment with Zero Tolerance on sexual harassment. You shall treat others irrespective of status, position or sex with dignity and free from any form of harassment, humiliation and intimidation of a sexual in nature.

Kulim has adopted the following definition of sexual harassment, derived from the Employment Act 1955, which means: “any unwanted conduct of a sexual nature, whether verbal, nonverbal, visual, gestural or physical, directed at a person which is offensive or humiliating or is a threat to his/her wellbeing, arising out of and in the course of his/her employment”.

6.9 Sustainability Development

Kulim embraces sustainable development principles and goals so that future generations will continue to benefit from today’s actions. The implementation of a Sustainable Management System (SMS) will provide a framework to realize the goals.

Continual improvement on each important subject matter will always be the focus, particularly on social responsibility, resource stewardship, appropriate environment control and the capacity to produce efficiently.

You must support and uphold the above principles by always act in accordance with Kulim’s policies and procedures, and comply with the laws and regulations of the country where it operates, in the conduct of business and operation activities.

References:
Core Labour Standard
Environmental Policy
Grievance Policy
HIV/AIDS Policy
Occupational Safety and Health (OSH) Policy
People Policy
Sexual Harassment Policy
Work Place Drug Policy
Sustainability Policy
7. DEALING WITH THE COMPANY’S ASSETS AND INFORMATION

7.1 Appropriate Use of Company’s Assets and IT Equipment

Kulim will provide you with an appropriate and adequate company’s assets in the performance of your job. The assets assigned to you are strictly to be utilised for work-related purposes and for the interests of the company only.

You are responsible to protect business assets and shall not cause any damage to property whether belonging to Kulim or to other employees located within the premises of Kulim. You must not use such assets to commit any criminal acts, or any act of misconduct as determined by Kulim or in any legislation or regulation applicable in the country in which Kulim operates.

If you are found to have used your personal assets in performing Kulim’s business transactions or dealings, Kulim reserves the right to secure the asset to obtain any information or data belonging to Kulim for whatever purposes such as monitoring workflow or productivity, investigating or data gathering, if such need arises.

The company’s assets can be tangible or intangible. Tangible assets are typically physical assets such as land, building, vehicles, computer equipment, inventory or cash. Intangible assets typically do not physically exist. Intangible assets cover but not limited to intellectual property, such as patents, copyrights, trademarks, and trade secrets. Intangible assets may also include internet domain names, email, licensing agreements, service contracts, computer software, blueprints, manuscripts, joint ventures, medical records or permits.

Kulim’s IT and communications systems are to be used for work and business purposes only. You must not employ Kulim’s IT and communications systems to:

- conduct fraud;
- run your own business;
- view, download, copy, illegally share, process or post information in a way that infringes the relevant content provider’s intellectual property rights;
- send chain letters, make solicitations for money or gifts, or make personal offers to sell products, for charitable fundraising campaigns, political advocacy efforts, religious efforts, or private non-Kulim commercial purposes;
- commit “cybercrimes”, such as spam attacks, hacking, IT sabotage, spying, and creating or sending viruses;
- send malicious rumours or transmit derogatory or indecent materials; or
- otherwise engage in activities that could damage Kulim’s business or reputation.

You must use Kulim IT and communications systems in a responsible and professional manner consistent with this COBE, social media policy and other IT policies and procedures in effect from time to time.

You should not assume that any use of Kulim’s communications devices or systems is private. Kulim may examine and monitor your e-mails, communication or internet usage, subject to the requirements of local laws and regulations.

If you discover or suspect any actual or potential theft, damage, misuse, fraud, embezzlement, improper usage or any incident that could compromise the security, integrity, confidentiality, operation or availability of IT and communications systems, you must immediately report to the management.

7.2 Corporate Responsibilities

Kulim strives to build good relationships with the communities wherever it operates. Being active in the community has always been central to Kulim’s values and business strategy. Kulim aims to carry
on its business and affairs in a socially responsible, sustainable and meaningful way.

You are encouraged to participate in various activities and initiatives that Kulim supports which consist of five (5) pillars as follows:

- **Public and social development**
  Any programmes that will benefit the community such as developments or supports for education, religion, infrastructure, NGOs, tax-exempted bodies and any special projects for the community.

- **Employee benefits**
  Any programmes that will benefit Kulim’s employees and family members.

- **Environmental initiatives**
  Any programmes related to environmental conservations and awareness within Kulim.

- **Donation and sponsorship**
  Participation in the allowable activities and programmes as defined by Kulim such as in awards or purchase of table for events, contribution to J Corp or government bodies, purchase of programmes book or advertisement.

- **Sports and recreation**
  Any kind of sport and recreation activities or programmes related to Kelab Bola Sepak J ohor Darul Takzim (‘JDST’), Kelab Sukan dan Rekreasi Tiram (KSRT) and other programmes organised within or participated by J Corp.

In contrast, you shall not participate in activities or programmes that Kulim will not support as described below:

- Any activities that harm or do not directly benefit Kulim, shareholders and other stakeholders;
- Any programmes that are associated with political campaigns, candidates or partisan;
- Not a well-managed or sustained entity i.e. unregistered society or organization; and
- Suspicious or dubious in nature.

### 7.3 Conduct in Social Media

Kulim recognises that there are legitimate businesses and personal reasons for using social media or corporate computing devices during working hours and outside working hours. In order to enable you to take advantage of the business value of these sites and to promote an open, trustworthy and collaborative workplace, Kulim allows you to use the social media within the specific guidelines as specified by Kulim, amongst others:

- **Guidelines for use of social media during working hours:**
  - Use social media for work-related purposes only.
  - Ensure your personal media social accounts do not represent Kulim’s views or opinions.
  - Do not link Kulim’s email accounts with your personal social media accounts.
  - Do not use your personal social media accounts to conduct official business on behalf of Kulim.
  - Do not use Kulim’s logo, unless specifically authorised to do so.
  - Do not create or transmit any material that might be defamatory, inflammatory, and objectionable or incur liability to Kulim.
  - Do not post, broadcast, send, upload any inappropriate content or other non-work-related matters.
  - Do not access, share or link to any content or information owned by Kulim that could be considered private and confidential information.
  - Do not share or post material in breach of copyright or other intellectual property rights owned by third parties, unless permitted by them in writing.
Guidelines for use of Kulim’s social media accounts:

- Only the authorised persons are allowed to act as Administrator.
- The Administrator shall only publish the contents that have been approved by Kulim or Head of the Authorised Department or Operating Unit.

You are personally responsible for what you communicate, publish and disclose in any form of social media. You shall always be mindful of your contributions and what you disclose about Kulim.

7.4 Confidential Information

7.4.1 Confidentiality Obligations

The business affairs and records of Kulim comprising business, technical, financial, legal, personnel and contractual records, and documents encompassing telegrams, e-mails, letters, maps, reports, drawings, calculations, specifications, formulae, forms, licenses, agreements or other documents or computer software or files of whatever nature and information relating to formulae, processes and manufacturing methods are all confidential information belonging to Kulim.

Such confidential information is strictly private and confidential and may not be utilised, discussed with or disclosed to persons inside or outside Kulim, except by persons authorised to do so or disclose to other employees on a need-to-know basis. You must take all necessary precautions with respect to the confidentiality of such confidential information.

You may not, either during or after your employment or engagement, disclose, divulge or utilise without appropriate authorisation any such confidential information which may have come to your knowledge during your employment or engagement with Kulim and you must, both during and after your employment or engagement, take all reasonable precautions to keep all such confidential information secret.

Except in so far as may be necessary for the purpose of performing your duties you may not, without the consent of Kulim, retain or make originals or copies of such confidential information.

7.4.2 Insider Dealing

You must protect the confidential business information of Kulim and its counterparties, and never use it for your own benefit or the benefit of other persons - especially not to trade in shares or other securities or to recommend or cause a third party to do so.

You are required to abide by all applicable laws on insider dealing. Insider dealing means when you trade in shares or other securities while in possession of material non-public information or when you share such information with someone else who then trades in those shares or other securities. In particular, you must not deal in the securities of Kulim while in the possession of material non-public information.

Material non-public information is generally non-public information that a reasonable investor would rely on when deciding to buy or sell securities. The restrictions described herein also apply to “price-sensitive information” or other similar types of information in jurisdictions where the applicable insider trading laws make reference to those types of information.

You are also required to abide by all applicable laws on securities market abuse, which involve spreading false information or engaging in activities designed to manipulate the market for publicly traded securities.
7.4.3 Publication of Materials

Except with the written permission of Kulim, you shall not publish or write any books or other works which are based on Kulim’s confidential information.

If permission is granted, it will be subject to the following conditions:

- The proposed publication will not be published in such a way as to state or imply that it has received official support or backing or sponsorship from Kulim; and
- The proposed publication will not, under any circumstances, bear the words “Kulim’s approved publication” or words to that effect that could be construed to suggest that the publication has been agreed to or approved by Kulim.

7.5 Communicating with the Public

Irrespective of whether in your personal or official capacity, you will not either orally or in writing or in any form (including on social media sites) make or circulate any public statement on the policies or decisions of Kulim or discuss publicly any measure taken by Kulim or any official matter taken or carried out by you, unless you are duly appointed or authorised to make such statement on behalf of Kulim.

You will not, either orally or in writing or in any other form (unless you are appointed or authorised as aforesaid), make any public statement or comment on any matter relating to the work of the department or organisation in which you are or were employed, or relating to any organisation with which Kulim has dealings:

- where such statement or comment may reasonably be regarded as indicative of the policy of Kulim; or
- where such statement or comment may embarrass or is likely to embarrass Kulim; and
- where such statement or comment may compromise the interests and reputation of Kulim.

In this section, “public statement” or “discuss publicly” includes the making of any statement or comment to the press, magazines, journals or the public or in the course of any lecture or speech or the broadcasting thereof by sound, vision or electronic means. It also applies to every kind of correspondence including mail, electronic documents, instant messages, websites, social media tools, blogs, paper documents, facsimile, voice and voicemail recordings.

7.6 Intellectual Property Rights

Intellectual property can consist of different types ranges, from logos and corporate identity to products, services and business processes that differentiate business offering. Kulim can suffer when these creations are used without permission.

Kulim shall be legally entitled to all rights in ideas, inventions and works of that invented, created, developed or designed by you in the course of your employment, either alone or in conjunction with any person or at the request or direction by Kulim.

You shall not use intellectual properties belonging to Kulim for personal gain and infringe any third party’s intellectual property during the course of your employment with Kulim. Similarly, Kulim’s business partners shall not infringe Kulim and third party’s intellectual property rights when having business dealing with Kulim.

7.7 Integrity and Accuracy of Records

Kulim recognises that accurate and honest recording and reporting of financial and non-financial information are essential to the
company’s credibility and reputation. Accurate reporting also helps us to make quality and reliable decisions for our business and operations, which contributes to the continued business success.

Kulim has established and maintained procedures and controls to ensure the integrity of the records and information.

You are responsible to comply with all internal procedures and controls and ensure the integrity of business records and information. This includes the proposal paper, progress report, quality record, safety report, personnel record, and all documents related to financial information such as payments, claims, bills, invoices, financial statements and etcetera. No unauthorised, false, improper or misleading records or entries shall be made in the books and records of Kulim.

You are also to ensure that any party dealing with Kulim receives accurate, credible, and authorised information only.

### 7.8 Knowledge Management

Kulim is dedicated to providing appropriate training and development of the entire workforce so that you will gain the necessary skills to reach your full potential. Kulim will provide specialised, high-quality care and rehabilitation to vulnerable employees through a well-trained and supported working team.

Your individual training and development needs will be identified through a variety of methods. An internal training provided by Kulim will be at no cost to you. External courses and professional qualifications may be fully or partly sponsored by Kulim depending on the nature of the training.

You will be asked to provide feedback on the benefits and effectiveness of the training and to submit all the materials that you get from the training. Subsequently, you may be required to share the knowledge acquired from such training with your colleagues with the aim of build learning organizations, stimulate cultural change and innovation, and finally reducing the loss of know-how.

### 7.9 Managing Documents

Company documents and records are important corporate assets. Managing documents is the process of handling documents in such a way that information can be created, shared, organized, and stored efficiently and appropriately. You are responsible for controlling and maintaining documents and records in accordance with Kulim’s policies and procedures, and in compliance with applicable laws and regulations:

- **Creating documents** - Wherever the documents are placed and created, it is essential to keep them absolutely up-to-date and structured.
- **Approving** – Managing the approval of business records either to share, save, and secure them.
- **Retrieving** – Good filing practices will make documents easily accessible to all.
- **Storing** - Storage in a digital environment or physical documents. For the latter, it may include the use storage boxes and label them clearly and for a specific use.
- **Security and access control** – Preserving confidential documents, potential loss of data, or data theft from competitors. Restricting user access to certain documents, applications, and folders on any shared computers.
- **Updating** - Make sure to keep all your folders updated by clearing out the old files and updating them with the most frequent ones presently in use.
- **Backup** - Whether you're copying your files onto another drive or tape, it is always recommended to set up and follow a regular backup regimen.
- **Disposal** - Where appropriate, disposing of unused records according to Kulim’s policies.
and procedures, best practices, as well as current laws and regulations.

You are prohibited from concealing, altering, modifying or destroying Kulim’s documents and records without appropriate written approval.

7.10 Personal Data Privacy

Kulim strives to protect confidential information and privacy of personal data. The Personal Data Protection Policy describes how the company collects and handles employee’s information in accordance with the Malaysia’s Personal Data Protection Act 2010.

You are responsible to take all reasonable steps to protect employee’s personal data and ensure it is securely stored and prevent any unauthorized or unlawful processing of personal data and any loss or destruction or damage to the personal data.

7.11 Sharing Best Practices

Kulim allows sharing of best practices, documents, information and knowledge with other organisation provided that the information and knowledge shared are not regarded as proprietary information and will not be detrimental to or adversely affect Kulim’s business and competitive advantage.

References:
Corporate Responsibility Policy
Knowledge Management Policy
Personal Data Protection Policy

8. DEALING WITH CORRUPTION AND CONFLICTS OF INTEREST

8.1 Bribery and Corruption

Kulim is obliged to uphold ethical principles and values and create a business environment that is free from corruption.

At all times, you must conduct activities and business dealings with the highest ethical standards to avoid any possibilities of corruption or improper conduct.

You must comply with the provisions of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act), Kulim’s policies and procedures and any other anti-bribery and corruption-related local laws of the countries in which Kulim operates, as amended from time to time.

You must immediately report any improper conduct that is discovered, experienced or genuinely suspected through the whistleblowing channels, as per Section 8.7.

Improper Conduct is defined as conduct or action which is unlawful and/or in breach of the COBE, rules, regulations, guidelines, policies and procedures, both written and implied.

Examples of improper conduct, among others, as stipulated in the MACC Act 2009 are tabulated below:
A ("Ambil")
Offence of accepting gratification.
- Accepts, obtains, agrees to accept or attempts to obtain, from any person in any form of gratification for personal interest or on behalf of others that related to official matters of Kulim.

B ("Beri")
Offence of giving gratification.
- Gives or agrees to give, or offers to any person whether for benefit of that person or of another person that related to official matters of Kulim.

C ("False Claim")
Offence of intending to deceive principal.
- False Claim or forgery or alteration of a document or processes.

D ("Diri")
Offence of using office or position for gratification.
- Abuse of power or authority, actions or omissions which are considered to be against the interest of Kulim, conflicts of interest and misuse or abuse of Kulim properties or resources or confidential information.

E ("Engaged")
Engaged in improper conduct.
- Allowing or assisting a person to commit any of the given instances of improper conduct.

F ("Fear")
Reprisal.
- Detrimental action taken against informant or whistleblower or persons closely associated with informant or whistleblower.

8.2 Conducting Due Diligence

Due diligence is a process that must be performed prior to making any consideration or refusal. It is a systematic and comprehensive measure taken and performed to evaluate, validate or reject any proposed transaction that is of importance to the business and operations of Kulim. It also acts as a mitigation and prevention measure against potential corruption.

You shall ensure that the due diligence process is adequately conducted on any transactions that may have a potential business and financial impact, particularly on:
- Recruitment and appointment of an employee who will hold strategic positions, i.e., Responsible Officer and Board Member of Kulim.
- Recruitment and appointment of an employee who will hold positions that are exposed to more than a low risk of corruption, including redeployment, promotion and transfer.
- Selection and appointment of agents, contractors, suppliers, vendors, service providers and consultants in any purchases, sales and procurement processes.
- Entering a joint venture, partnership, or business associates with any company, organizations and individuals.
- Appointment of agents and individuals who have official dealings with, or on behalf of Kulim.
- Any other transactions that required a certain level of assurance and the need to minimise risk exposure, such as selection of customers, and donation and sponsorship applicants.

8.3 Disclosures and Declarations

In ensuring the achievement of anti-bribery and corruption objectives, you are responsible to make the following disclosures and declarations vary depending on your situation.
8.3.1 Anti-Bribery and Corruption

- **Employees**

  You are responsible to understand and adhere to the Anti-Bribery and Corruption Policy and you shall:
  
  - Upon joining Kulim, make a declaration through the "Employee Integrity Pledge Form" to the Human Resources Department (HRD).
  - Not engage or commit in any corrupt offences under any laws or regulations, such as the MACC Act 2009 or the Penal CODE.
  - Not conduct any business practices or activities that would require or encourage yourself and others to commit such offences; and
  - Work together with business associates, regulators, law enforcement agencies and stakeholders to create a business environment that is free from corruption.

- **Business Associates**

  Kulim expects all business associates to refrain from bribery and corruption. To foster this aspiration, business associates are required to ensure that they:
  
  - Shall read and declare their compliance with Kulim’s Anti-bribery and Corruption Policy via the Vendor or Client Letter of Declaration Form.
  - Shall not, either directly or indirectly, promise, offer, give, accept or solicit any bribe or an improper advantage (whether financial or otherwise) to or from any person in Kulim.
  - Shall declare their bribery records in Vendor Registration Form.

8.3.2 Conflicts of Interest (COI)

You should avoid any situation that involves, or appears to involve, a conflict between your personal interests and the interests of Kulim to avoid circumstances that might affect your judgement or impartiality in performing your duties.

You must make a declaration of conflicts of interest in the following manner and situations:

<table>
<thead>
<tr>
<th>Category</th>
<th>At Workplace</th>
<th>At the Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What/When to Declare</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upon joining Kulim.</td>
<td>When you are the member of the Approving Committee, you shall make a written declaration of your conflicts of interest, at each meeting.</td>
<td></td>
</tr>
<tr>
<td>When you have a relative relationship with other employees within Kulim.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**To Whom**

- HRD
- Company Secretary or Secretary of Committee.

**Make declaration using Claims of Interest Declaration Form**

- COI – Form A - Employee (One-off)
- COI – Form A1 (If there is changes)
- COI – Form B and/or B1 - Meeting

8.3.3 Declaration of Assets

You shall upon taking up the employment of appointment with Kulim, make a declaration of your assets within Malaysia and abroad.

Such declaration shall include full particulars of all houses, land, stocks and shares, and other holdings in your name and of your spouse or your dependents. Subsequently, you shall update any changes in such holdings once a year or when there are any changes within fourteen (14) days of such changes via ‘Assets Declaration Form’. 

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### 8.4 Gifts and Entertainment

Kulim is very much aware that gifts and entertainment can build goodwill, and in certain situations are a part of normal business etiquette. However, gifts and entertainment can be a very delicate matter and can also create a perception of conflicts of interest and could be subject to potential abuse.

#### 8.4.1 Gifts and Entertainment - Accepting and Giving

Table 1 provides you guidelines for accepting or providing gifts or entertainment in fulfilling your responsibilities on official matters.

You are required to record all the gifts and/or entertainment received and provided in an appropriate manner.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Value</th>
<th>Ability to influence</th>
<th>Recipient/Giver</th>
<th>Recording</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allowable Circumstances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Branding or marketing the product or company</td>
<td>Of Minimal Value.</td>
<td>Do not potentially influence business decision</td>
<td>Employee</td>
<td>Full disclosure (recorded) in the Gift and Entertainment Register</td>
</tr>
<tr>
<td>• Building relationship</td>
<td>RM200 and below; and</td>
<td></td>
<td>Organization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not occur more than 3 times; and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>In the form of 3F (Foods, Fruits or Flower) or</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promotional item or Plaque</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>In the event of uncertainty or involved item is more than RM200, a prior written approval from HOD shall be obtained.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Prohibited Circumstances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Giving in exchange for something in return (corrupt intention)</td>
<td>Excessive, lavish and not proportionate</td>
<td>Potentially influence business decision</td>
<td>Employee with authority to influence business decision</td>
<td>Non-disclosure (Unrecorded)</td>
</tr>
<tr>
<td></td>
<td>Free fares and accommodations</td>
<td></td>
<td>Spouse or person related to the employee that has authority to influence business decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Illegal or violate by-laws, regulations, or Kulim’s policy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 – Gifts and Entertainment Matrix
8.4.2 Facilitation payment

You shall not offer, promise, give, request, accept or receive any facilitation payments to secure or expedite the performance or to achieve your business objectives.

You must report to your Head of Department or Official in charge of Operating Unit immediately when you encounter any request for a facilitation payment. If a payment has been made and you are unsure of the nature, the Head of Department or Official in charge of Operating Unit shall be notified and the payment must be recorded accordingly.

When you are in a situation where you have to make facilitation payments in order to protect life, limb or liberty, you are allowed to make payments, but shall immediately report to the Head of Department or Official in charge of Operating Unit and record accordingly. Making a facilitation payment in such a situation is the only exception which can be used as a defense when faced with allegations of bribery and corruption.

8.5 Money Laundering

Money laundering is a process of converting cash or property derived from criminal activities to give it a legitimate appearance. It is a process to clean ‘dirty’ money in order to disguise its criminal origin.

Kulim strongly objects to unethical practices related to money laundering, including dealing in the proceeds of criminal activities.

You are expected to conduct reasonable due diligence on clients and third parties to understand their business background and to determine the origin and destination of money, property and services.

You must report any suspicious incidents or suspected money laundering transactions to your Head of Department or Official in charge of Operating Unit.

8.6 Referral Letter

Kulim is devoted at all times, to treating others fairly and objectively in all business dealings.

If you receive any recommendation following a referral letter received, that recommendation shall not be used as a basis, merit or qualification in considering a decision in Kulim. Instead, you must always act in accordance with the provision of law, regulations, and this COBE.

You must ensure that the decision made is fair and was not solely influenced by the referral letter received. You reserve the right to disregard the referral letter if it deems to be in conflict and contradicts with laws and procedures. Any referral letter received must be recorded, registered and reported to your Head of Department or Official in charge of Operating Unit.

8.7 Whistle-blowing

Kulim provides a channel through which improper conduct or wrongdoings can be reported. Kulim assures that all the information and identity of the informant or whistle-blower will be processed confidentially and securely. Kulim ensures that any complaints received will be processed, proper action to be taken and ends with systematic and effective action.

“Improper Conduct” is defined in Section 8.1.
8.7.1 Whistle-blowing Channels

It is the duty of every employee and business associate to report any breaches or suspected breaches to this COBE.

You are required to immediately report any improper conduct that is discovered or genuinely suspected to the following channels:

- Whistle-Blowing E-Mail: whistleblowing@kulim.com.my
- Whistle-Blowing E-Form: http://www.kulim.com.my/whistleblowing
- Write a report:
  Board of Kulim (Malaysia) Berhad
  Level 11, Menara KOMTAR
  J ohor Bahru City Centre
  80000 J ohor Bahru
  J ohor
  Mail: Mark Strictly Confidential
- Write a report
  Chairman Board of Audit and Risk Committee (BARC)
  Kulim (Malaysia) Berhad
  Level 11, Menara KOMTAR
  J ohor Bahru City Centre
  80000 J ohor Bahru
  J ohor
  Mail: Mark Strictly Confidential
- Write a report or telephone or set an appointment
  Head of Integrity Unit
  Kulim (Malaysia) Berhad
  K.B 705 Ulu Tiram Estate
  80990 J ohor Bahru
  J ohor
  Mail: Mark Strictly Confidential
  Telephone: +607-863 1900
  (Office Hours: 8.00 am to 5.30 pm / Sunday to Thursday)

9. DEALING WITH DISCIPLINE

Kulim may take disciplinary action in the event of inefficiency, misconduct or indiscipline. Depending on the seriousness of the inefficiency, misconduct or indiscipline, Kulim may either:

- give you a written warning; or
- suspend you without pay for a period not exceeding 14 days; or
- dismiss you summarily; or
- impose any other punishment as Kulim deems just and fit.

Before any disciplinary action is taken, you shall have the opportunity to be heard orally or in writing.

Where Kulim institutes an inquiry, Kulim shall inform you in writing stating the charge or charges levelled against you, the time, the date and the location of the inquiry.

Pending the inquiry, Kulim may suspend you for a period of up to fourteen (14) days at half of your basic salary. At the end of the inquiry, if you are found guilty of the charge or charges levelled against you, the salary so withheld will not be returned. However, if you are found not guilty, the salary so withheld shall be returned to you.
I, ____________________________________________________,

hereby confirm receipt of a copy of the Kulim Code of Business Ethics ("COBE"),
which I acknowledge
I have read and will follow.

SIGNATURE:

DATE: __________________________________________________________

NAME: __________________________________________________________

DESIGNATION: __________________________________________________

DEPARTMENT/COMPANY: __________________________________________
This COBE is a general reference for use in all the countries in which Kulim conducts operations. It does not describe all applicable laws or Kulim policies, or give full details on any particular law or policy. It does not constitute legal advice. It does not constitute or create a contract of employment.