KUALA LUMPUR KEPONG BERHAD
(15043-V)

CODE OF CONDUCT FOR EMPLOYEES

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1. **INTRODUCTION**

In line with good corporate governance practices, the Board, the Management and employees of Kuala Lumpur Kepong Berhad (“KLK” 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 high standards of professionalism and exemplary corporate conduct. This **Code of Conduct** (the “Code”) sets out the principles and standards of business ethics and conduct of the Group employees.

2. **OBJECTIVE**

The objective of the Code is to assist the Employees (as defined under Clause 3 of this Code) in defining ethical standards and conduct at work. The Code is not intended to be exhaustive, and there may be additional obligations. Employees are expected to behave or conduct when performing their duties.

For all intents and purposes, Employees should 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. **APPLICABILITY**

The Code is applicable to all employees (including full time, probationary, contract and temporary staff) of the Group.

Each Employee has a duty to read and understand the Code. Violation of any of the Code’s provisions may result in disciplinary action, including termination of employment.

If an Employee requires further clarification on the Code, the Employee may refer or highlight any concerns to the Head of Human Resources or immediate Head of Department/Division/Business Unit.

4. **CORE AREAS OF CONDUCT**

4.1 **Conflicts of Interest**

A conflict of interest arises when you have a personal interest that could be seen to have the potential to interfere with your objectivity in performing your duties or exercising judgement on behalf of the Group.

Employees should in general avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals, and the interest of the Group. 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, an Employee shall avoid putting himself or herself in a position where the Employee, by virtue of having an interest in any entity or matter, that compromises the Employee’s judgment in the discharge of responsibilities.

If you find yourself in a situation of conflict whether actual or potential, you must report in writing as soon as practicable stating the facts, nature and extent of the conflict to the Head of Human Resource or your Head of Department /Division/Business Unit.

4.2 Confidential Information

It is pertinent that all 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 or on a need to know basis.

In the event that 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 Employee involved until it is publicly released.

4.2.1 Information Technology

All computer facilities must be safeguarded against theft, damage and improper usage. The Group does not permit the usage of computer facilities involving sensitive and illegal matters, infringement of Intellectual Property rights, unauthorised access, misuse of the company’s time and resources and risking the integrity of computer facilities.

To the extent allowed by applicable laws in the countries in which it operates, the Group reserves the right to monitor your email messages, instant messaging, blogs, use of the internet and contents on Group issued computer facilities. Such information can be recovered and used as evidence in domestic proceedings and courts of law or disclosed to the authorities or regulatory bodies as the case may be.

You must use the Group’s computer facilities responsibly and primarily for the business purposes for which they are intended. The computer facilities include access to the internet, email services and all other computer hardware, software and peripherals.

4.3 Inside Information and Securities Trading

No Employee shall use price sensitive non-public information which may affect the price of the securities of the Company and/or related listed companies when it becomes publicly known (“Inside Information”), for personal benefit. Employees are prohibited to trade in securities or to provide information to others to trade in securities of the Company and/or related listed companies until the Inside Information is publicly released.
4.4 Protection of Assets and Funds

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

4.5 Business Records and Control

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 within 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.

4.6 Compliance with the Law

The Group will comply with all applicable laws, rules and regulations of the governments, regulatory authorities and public exchanges in jurisdictions within which the Group operates. Employees are expected to understand and comply with the laws, rules and regulations that are applicable to their positions and/or work, including but not limited to legislation relating to anti-money laundering, anti-terrorism financing, anti-corruption, personal data protection and competition. The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

4.7 Personal Gifting

No personal gifts, favours, entertainment, sponsored travel or services, in cash or kind, that will or will appear to influence objective and fair business decisions should be accepted or provided.

Permissible gifts, favours, entertainment, sponsored travel or services are those that are deemed as not given to influence the Employees’ performance of duties and include normal business courtesies (meals or entertainment), token gifts which are occasional, gifts during festive or special occasions and gifts from social functions attended by the Employees on behalf of the Group.

4.8 Health and Safety

The Group will use its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices to commensurate with the nature of the Group’s businesses and activities. Such a commitment in return requires that all Employees understand and abide by the Group’s policies and procedures.

The Group strives to provide a safe, secure and healthy working environment. You must create and maintain a safe working environment to prevent workplace injuries by:

• Using all protection and safety devices provided for your use;
• Ensuring that protective devices are in good working condition;

• Immediately reporting unsafe equipment and tools, hazardous conditions and accidents to the Management; and

• Complying with the Occupational Safety and Health laws and regulations of the relevant country and with the Group's environmental, safety and health rules and regulations.

You are also responsible for the safety of fellow workers and the general public and should promptly report any breaches of environmental, safety and health laws at the workplace. In case of doubt, please seek clarification from your Head of Department/Division/Business Unit.

4.9 Violence & Harassment

Any types of harassment and violence will not be tolerated. These actions or behaviours include derogatory comments based on gender, racial or ethnic characteristics, unwelcome sexual advances, spreading of malicious rumours or use of e-mails, voicemail and other forms of communication channels to transmit derogatory or discriminatory material.

Workplace harassment by any Employee is unacceptable. It is the Group's policy to provide all Employees with a working environment free from any form of harassment. Any questions concerning such issues should be directed either to the Employees' immediate superior or the Human Resource Department. All such reports and/or complaints shall be treated with strict confidence.

4.10 Outside Interest

Employees shall not engage in an outside interest that will undermine the performance of the Employees or bring disrepute to the Group.

As an employee, you must not take up employment outside the Group or engage in any outside business or service which may be in competition with the Group or give rise to actual or perceived or potential conflict of interests with your duties in the Group.

4.11 Fair and Courteous Behaviour

All Employees are to treat their fellow Employees fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability, and shall not create any form of discrimination or prejudice in the workplace.

You shall treat your superiors, peers, subordinates and external stakeholders with respect, trust, honesty and dignity.
4.12 Misconduct

No Employee is to be involved in or abet any activity that is deemed by the Group to be an act of misconduct (including the use and abuse of drugs).

The Group strictly prohibits the possession of illegal drugs or other illegal substances in the workplace.

4.13 Criminal Activities

You must not engage or be involved in any behaviour or activities that may be categorised as subversive or commit any wrongdoing, criminal or otherwise, that is punishable under the laws of the relevant country. If you are found guilty by a court of law or found to be involved in subversive activities or to have committed a criminal offence, you will be dealt with in accordance with the Group’s relevant policies and procedures.

4.14 Grievance Redressal

If you have any grievances regarding your employment conditions, responsibilities, co-worker issues and other issues related to the work environment, you may contact your immediate superior. If you are not satisfied with the manner in which the grievance is addressed, you may contact the Head of Industrial Relations or Head of Human Resource.

5. REPORTING OF VIOLATIONS OF THE CODE

It is your responsibility, without exception, to ensure that any instance of actual or suspected violation of the Code is reported promptly.

The Group practises an open door policy and encourages you to share your questions, concerns or suggestions with someone who can address them properly. In most cases, the Head of Human Resource or your immediate Head of Department/Division/Business Unit is in the best position to address any concerns.

At certain Divisions where it is not possible to do so, you are encouraged to speak or write to the Head of Human Resource.

When you raise a concern or report a violation, your identity will be kept confidential. However, your consent will be sought should there be a need to disclose your identity for investigation purposes. Please take note that the investigation may be impacted if you do not provide your consent or if you choose to remain anonymous.

The Group expects all parties to act in good faith and have reasonable grounds when reporting a concern or issue. If allegations are proven to be malicious, parties responsible may be subject to appropriate action, including legal action where applicable.

You will not suffer harassment, retaliation or adverse employment consequence if you mistakenly make a report in good faith. An Employee who retaliates against others (including Counterparts and Business Partners) who make a report in good faith may be subject to disciplinary action including termination of employment or dismissal.
6. **REVIEW OF THE CODE**

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

7. **WAIVER OF THE CODE**

Waiver of the Code may be made by the KLK Exco or the appropriate Committee of the Board. Waiver of requirements under the Code may be granted on a case-by-case basis and only in special circumstances.