

CODE OF CONDUCT

1. INTRODUCTION

Fiamma Holdings Berhad (the “Company”) has adopted the following Code of Conduct (the “Code”) for Directors, management and officers of the Company and its subsidiaries (the “Group”). This Code is established to promote good business conduct and maintain a healthy corporate culture which engenders integrity, transparency and fairness that permeates throughout the Group. All Directors, management and employees of the Group shall be referred to as “Officers” hereon.

2. PRINCIPLE

The principle of this Code is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.

3. PURPOSE

This Code is formulated with the intention of achieving the following aims:

- 3.1 To emphasise the Group’s commitment to ethics and compliance with the applicable laws and regulations;
- 3.2 To set forth basic standards of ethical and legal behaviour within the Group;
- 3.3 To include noble characteristics in performing duties so as to improve work quality and productivity;
- 3.4 To improve self-discipline in order to provide the Group with good and quality service; and
- 3.5 To enhance skills in the implementation of duties and to be able to adapt to the work environment.

4. CODE OF CONDUCT

Every officer is responsible to ensure compliance with the Code and should:

- Know and comply with the Code and the Company Policies and Procedures.
- Seek guidance when in doubt.
- Avoid illegal, unethical or otherwise improper acts.
- Report any suspected violation of policies, laws and regulations.
- Assist authorised teammates with investigations.
- Take responsibility and accountability for their actions.
- Notify the department head (HOD) or the Board immediately if he/she suspects any irregularities.

The Group will take disciplinary action against any personnel who fails to act in accordance with applicable statutory laws, Company Policies and Procedures and this Code.

In the performance of his or her duties, each officer must comply with the letter and spirit of the following codes:

4.1 Human Rights

The Group supports and respects human rights. The Group treats officers with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination. Officers should respect the personal dignity, privacy and rights of each individual they interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

4.2 Health and Safety

The Group provides a work environment that is safe, secure and free of danger, harassment, intimidation, threats and violence. The Group takes appropriate precautions to prevent injuries or adverse working conditions for each and every officer. It is the responsibility of each and every officer to adhere to the prescribed safety rules and acts as well as to raise any concerns which may represent a potential threat to health and safety. Officers are responsible for reporting injuries and unsafe work practices or conditions as soon as they have been discovered or become known.

4.3 Environment

The Group conducts operations in a manner that safeguards health, protects the environment and conserves valuable materials. The Group is committed to protecting the environment by minimising and mitigating environmental impacts throughout the life cycle of operations. Officers should contribute to minimising the use of finite resources, including energy, water and raw materials. Officers should minimise harmful emissions to environment, including waste, air emissions and discharges to water.

4.4 Gifts and Business Courtesies

Officers must exercise caution in relation to offering or accepting gifts and business courtesies. Officers should not accept gifts or other form of remuneration if there is reason to believe that its purpose is to improperly influence business decisions or will conflict with the Group's interest and compliance with laws.

4.5 Company Records and Internal Controls

The Group's records must be prepared accurately and honestly, both by accountants who prepare financial statements and by officers who contribute to the creation of business records, for example, by submitting expense records, time sheets, order and invoice records. The Group takes obligation to maintain business records for operational, legal, financial, historical and other purposes seriously and takes appropriate steps to ensure that the content, context and structure of the records are reliable and authentic.

Reliable internal controls are critical for proper, complete and accurate accounting and financial reporting. Officers must understand the internal controls relevant to their positions and comply with the policies and procedures relating to those controls to ensure that effective and reliable business processes are in place.

4.6 Company Assets

The Group's properties and assets should be managed and safeguarded in a manner which protects their values. Officers are accountable both for safeguarding all assets entrusted to them, including information, resources, records, materials, facilities and equipment under their care or control, from loss, theft, waste, misappropriation or infringement and for using the assets to advance the interests of the Group. All officers have an affirmative duty to immediately report the theft, loss or misappropriation of any Group assets, including financial assets, physical assets, information assets and electronic assets to the management as stipulated under Violations of Code of Conduct below.

4.7 Conflict of Interest

The Group expects each and every officer to give their fullest attention, dedication and efforts to their duties and the Group. Officers must avoid any personal, financial or other interest which may be in conflict with their duties and responsibilities to the Group. In this respect, an officer is not permitted to be gainfully employed by any other organisation, company or business concern other than the Group which may have a conflict of interest without prior written consent of the Group Managing Director/Chief Executive Officer ("GMD/CEO"). Such permission will not be unreasonably withheld unless it has an impact on the officer's ability to perform his/her normal duties or his/her performance at work or for an organisation which is in direct competition with the Group.

4.8 Integrity and Professionalism

Officers should remember that they are a reflection on the Group and are constantly being judged and otherwise appraised by everyone they come in contact with. All officers should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on Group's business. In the performance of their work, employees must not knowingly be party to any illegal activity or engage in acts that are discreditable to the Group.

4.9 Personal Appearance

An officer who is provided with uniforms by the Group shall wear them in full at all times while he is at work.

An officer is expected to be suitably and neatly dressed so as to maintain an appropriate appearance that is business like, neat and clean, as determined by the requirements of the work area. Dress and appearance should not be offensive to customers or other officers.

Dress, grooming and personal cleanliness standards are important and contribute to the morale of all officers and affect the business image to the Group's customers and visitors.

4.10 Confidential Information

All information obtained in the course of engagement and/or employment with the Group shall be deemed to be strictly confidential and shall not be disclosed to any third party. This measure applies to all officers both during and after the service with the Group.

Except with the permission of the Group, an officer shall not make any unauthorised public statement, circulate, divulge or communicate with any customer, member of the public, media or government or statutory bodies on the policies or decision of the Group on any issue, or any other information or details in respect of the Group's business. *This applies to disclosures by any medium, including the internet, especially via social media sites (e.g. Facebook, Twitter, YouTube, etc.), internet message boards and/ or blogs. An officer must take precautionary steps to prevent the unauthorised disclosure of proprietary or confidential information, including protecting and securing documents containing this information.*

Personal records and remuneration including the officer's own remuneration are classified as Private and Confidential information and shall not be divulged.

4.11 Compliance Obligations

Officers are responsible for knowing and complying with the requirements applicable to their work activities, including those described in Rules of Conduct and Disciplinary Procedure in the Employee Handbook and those described in the Group's guidance documents (Company's standards, policies and procedures and manuals).

4.12. Fair Dealing

All Directors, customers, suppliers and any others who are related and have dealings with the Group shall be treated fairly and equally. Any ground of discrimination is strictly not allowed. The Group will compete effectively and fairly in the market which it manages. Moreover, the Group is obliged to ensure its operating activities and its relationship with any business partner is fair, transparent and honest. This includes any form of transaction or termination of relationship. All commercial transactions shall be recorded and documented. Corrupted practices are not allowed either directly or indirectly.

Officers should not take unfair advantage of or mislead anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, fraudulent behaviour, any other unfair dealing practice, abuse dominant position, engage in concerted practises or any anti-competitive behaviour which prevents, restricts or distorts competition.

Officers shall comply with competition law and strictly observe the prohibition of anti-competitive agreements, concerted practises and abuse of a dominant position or of substantial market power in all business transactions as breaches of competition law will not be tolerated.

4.13. Bribes and Corruption

Officers shall not offer, give, solicit or accept bribes or any other improper payment in order to achieve business or personal advantages for his/her or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.

Officers shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorised 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.

Prior to giving or accepting any business amenity or other gifts (in whatever form or value), officers shall assess the appropriateness of their actions to see whether these actions could influence or could reasonably give the appearance of influencing the business relationship of the Group with that organisation or individual or any business decision arising out of that business relationship.

4.14 Insider Trading

No officers who are in the possession of non-public price sensitive information of the Group or other listed company gained in the course of employment with the Group may deal or advise any other person to deal in any securities of the Group or any securities of another listed company.

No officers shall disclose non-public price sensitive information to any person (including family members) where such information may be used by such person to his or her profit by trading or in recommending or advising others to trade in any securities of company.

Officers must ensure that all transactions in the Company securities comply with the procedures set out in the Bursa Malaysia Listing Requirements and the law on trading.

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.

4.14. Money Laundering

Money laundering is the process of concealing, converting and transferring proceeds from unlawful activities 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.

Officers 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 in order to actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Officers are expected to be mindful of the risk of the Group's business being use for money laundering activities and to raise any suspicious transactions to their immediate superior and the Board to undertake further investigation.

No disclosure should be made to others that would indicate suspicions of money laundering. Any officer reporting should not discuss the matter with any other person.

4.15. Abuse of Power

The abuse of authority/power is the improper use of a position of influence, power or authority by an individual towards others. This is particularly serious when the alleged offender misuses his or her influence, power or authority to negatively influence the career or employment conditions (including, but not limited to, appointment, assignment, contract renewal, performance evaluation or promotion) of other individuals. Abuse of authority can include a one-time incident or a series of incidents. It may also consist of conduct that creates a hostile or abusive work environment, which includes, but is not limited to, the use of intimidation, threats, blackmail or coercion. Decisions made through the proper use of managerial and supervisory responsibilities are not considered as abuse of authority.

Officers shall be aware of everyone in the Group is treated with dignity, is valued as a contributor and that abuse of power and gender discrimination are not tolerated. Officer shall report incidents of abusing of power, or has reason to believe abusing of power is occurring, to their immediate superior or adhere to the Whistleblowing Policy.

4.17. No Discrimination or Harassment

The Group is committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, disability or sexual preference.

The Group is also committed to providing a positive work environment that values the wide-ranging perspectives inherent in our diverse workforce and fosters individual growth and achievement of business goals. The values we encourage in our employees are: candor, courtesy, an ability to deal with change and respect to humanity, personal dignity and privacy.

Harassment is any inappropriate conduct which has the purpose or effect of:

- i. Creating an intimidating, hostile, or offensive work environment; or
- ii. Unreasonably interfering with an individual's work performance.

Forms of harassment include, but are not limited to, behaviour toward another person based on that person's race, ethnicity, gender, creed, religion, age, disability or sexual preference which is unwelcome and personally offensive to its recipient. Individuals who believe they have been subjected to discrimination or harassment should immediately report the incident to their supervisors and their Human Resources Department.

Upon receipt of any complaints or concerns on acts of harassment, the Human Resources Department should notify management so that appropriate corrective steps can be taken.

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Any act of discrimination or harassment when dealing with employees, customers and /or suppliers will not be tolerated and the offender will be subject to severe disciplinary action, including possible termination of employment.

5. COMMUNICATION AND COMPLIANCE

The Group and the Board should ensure this Code is being communicated to all levels of officers through staff handbook, notice board, intranet, or corporate website. The Group should include the briefing of this Code to new officers in the induction programme.

The Board should ensure this Code permeates throughout the Group and is complied by all levels of officers.

6. VIOLATIONS OF CODE OF CONDUCT

The Group's officer should report to supervisors, managers, HODs or Head of Human Resource about the known or suspected illegal or unethical behaviour. The GMD/CEO and senior management shall promptly report any known or suspected violations of this Code to the Board. All officers shall refer to and adhere to the Whistleblowing Policy.

7. NON-RETALIATION

The Group makes every effort to maintain the confidentiality of any individual who reports concerns and possible misconduct. Officers who retaliate or encourage others to do so will be subjected to disciplinary actions, up to and including termination of employment or engagement. The Group does not tolerate any form of retaliation against anyone who makes a report in good faith.

8. INVESTIGATIONS

The Group shall investigate reported concerns promptly and confidentially with the highest level of professionalism and transparency. All internal investigations and audits are conducted impartially and without predetermined conclusions. Each and every officer shall be expected to cooperate fully with audits, investigations and any corrective action plans, which may include areas for continued monitoring and assessment.

Where external investigations are required, every officer shall appropriately respond to, cooperate and shall not interfere with, any lawful government inquiry, audit or investigation.

9. PERIODIC REVIEW

This Code of Conduct was first adopted on 27 November 2012 and will be reviewed once every two years or as and when necessary by the Board. The Code shall be made available on the Company's website.

The Code was reviewed and approved by the Board of Directors on 20 August 2018.