

**Central Industrial Corporation Berhad
CIC Marketing Sdn. Bhd.
CICS Distributors Pte. Ltd.
Proventus Bina Sdn. Bhd.**

**Code of Business Conduct
March 2019**

To All CIC Employees,

CICB has adopted this Code of Business Conduct as part of our continuing efforts to communicate to all of our employees how we define proper business conduct. Our Code of Business Conduct (which we sometimes refer to as our Code of Conduct or simply as our Code) reflects the evolution of our businesses and our on going commitment to protect and enhance our reputation for integrity.

Please read our Code of Conduct carefully and refer to it often. It is your responsibility to understand what is expected of you. If there is something that you are unclear about or if you are not sure what is required in a particular situation, do not guess at the answer. Ask for help from one of the many sources listed in the Code.

Protecting our ethical corporate culture is not only the right thing to do – it is also good business. Customers and business partners judge us by our conduct, as well as by our products and services. Stockholders and other investors want to be associated only with companies that meet high standards for honesty, integrity, and public responsibility. Each of you can contribute to maintaining the trust and confidence of our customers, business partners and investors by following both the letter and spirit of our Code of Conduct.

**Dr Uzir bin Abdul Malik
Chairman of the Board**

I. GENERAL

STATEMENT OF POLICY

Our policy is to conduct business in an honest and ethical manner and in accordance with the laws that apply to us

CIC seeks to be a good corporate citizen and to achieve our business goals in a manner that enhances our reputation for integrity. In order to do that, all of our directors, officers and employees must act in an honest and ethical manner and in accordance with law. We have instituted this Code of Conduct as part of our efforts:

- to foster proper business conduct and ethical decision-making,
- to prevent unethical or unlawful behaviour and to stop any such behaviour as soon as reasonably possible after its discovery.

We expect you to follow this Code of Conduct and to report any violations you become aware of

Under this Code of Conduct, each of our directors, officers and employees, regardless of job, title or level of responsibility:

- is responsible for his or her own actions with respect to proper business conduct and behaviour, and
- if he or she sees or becomes aware of unethical or unlawful activity, is obligated to report such activity immediately to the Compliance Officer of this Code of Conduct, to the Financial Controller or to the Senior Manager of Human Resources.

Your supervisor or your Human Resources Manager can help you make the report.

Violations of this Code of Conduct will lead to disciplinary action

To ensure compliance of this Code of Conduct, CIC will investigate and take such action as they determine necessary to protect their best interests. In those cases where violations occurred, disciplinary action will be taken – ranging from reprimand to termination. Violators may also be subject to criminal prosecution or civil lawsuits. It is not an excuse that a person's questionable conduct was intended to "benefit" CIC or was done with good intentions.

Failure to comply will be a violation of this Code of Conduct. In addition, our Finance Department, Human Resources Department and other operating units have adopted, and may in the future adopt, other written policies and procedures relating to the conduct of the business of CIC, the documenting of transactions, record keeping and related matters. Employees must comply with those policies and procedures and failure to do so will generally also be a violation of this Code of Conduct.

USE GOOD JUDGMENT – DON'T IGNORE YOUR INSTINCTS

FOUR QUESTIONS TO ASK YOURSELF BEFORE ACTING:

- Will my actions meet the letter of the law or rule but violate its spirit?
- Would my failing to act make the situation worse or allow a “wrong” to continue?
- How would my actions look if they were reported on the front page of the newspaper?
- Would we lose customers if my actions were known to them?

FOUR WARNING SIGNS. If you hear yourself or someone else say:

- “Everybody does it”
- “Maybe just this once”
- “No one will ever know”
- “It won’t matter in the end”

STOP and think through the situation carefully, seek guidance, and take the time necessary to reach the right result.

II. GUIDELINES FOR EMPLOYEE CONDUCT

Part II of our Code of Conduct provides guidelines for you to follow in dealing with some specific ethical and legal issues. Some of these guidelines are clear rules that you must follow — “do’s and don’ts” for specific situations. On the other hand, ethical issues often involve balancing competing interests and making value judgments. As a result, many of these guidelines provide general principles that must be applied by you based on the facts you are faced with. Sometimes applying those principles will be easy, and the proper business conduct will be clear. However, we often face complicated issues, where the right path to take may not be obvious or where there may be differences of opinion regarding proper conduct. It is each employee’s responsibility to work through those issues, seek appropriate advice and reach an answer that meets high ethical standards. The people described below are available to help you do that.

How to Get Your Questions Answered

Whenever you have questions about the requirements of this Code of Conduct or how they can apply to your job, you should call one or more of the following persons:

- Your manager or supervisor,**
- The head of the business unit or department,**
- Senior Manager of Human Resources or the Compliance Officer**

In addition, for questions relating to financial reporting, accounting and related matters, you may contact the Group Financial Controller Mr. Kew Sy Leng at 017 434 4088. You may also reach him at skew@cicb.com.my or by writing to:

**CENTRAL INDUSTRIAL CORPORATION BERHAD
LOT 77 & 78, Persiaran 11
Kawasan Perusahaan Bakar Arang
08000 Sungai Petani
Kedah Darul Aman**

A. You may not use funds or assets of CIC for any unlawful or unethical purpose or for personal gain

The use of the funds or assets of CIC for any unlawful or unethical purpose, including any political or commercial bribery, is prohibited. In addition, no person may use his or her position in CIC or any funds or assets of CIC (including confidential information of CIC) for his or her personal gain.

1. Our policy is to forego any business that can be obtained only by making improper or illegal payments or kickbacks

- No payment or gift shall be offered or made to a government official to influence any discretionary decision by such person in his or his official capacity. Should any such gifts or payments be requested, our Compliance Officer should be contacted immediately. Giving any gifts – even gifts or entertainment of nominal value – to government officials is highly regulated and often illegal.
- No payment shall be offered or made to an employee or representative of an existing or potential customer or other business partner to influence any business decision by such person. Should any such payments be requested, our Compliance Officer should be contacted immediately.
- In circumstances where it would not violate any other policy of CIC and would not create any appearance of impropriety or be considered a business inducement, you may provide non-monetary gifts or entertainment in accordance with the policies and procedures and monetary limits applicable to your business unit and job responsibilities. In general, such gifts or entertainment must be of nominal value.
- Business meals with customers or other business partners are permitted and expenses for those meals will be reimbursed in accordance with applicable expense reimbursement policies.

2. Subterfuge of any kind in making payments or other use of assets of CIC is forbidden

- No payment by a third party on behalf of CIC may be authorized with the intention that any part of it is to be used for any unlawful purpose.
- No payment or other use of assets or funds by CIC may be offered or made for a purpose other than that described by the records supporting the payment.

3. You may not accept payments or gifts that obligate you with respect to matters relating to our business or that create an appearance that your decision-making would be improperly influenced

- Gifts of any type or amount must not be solicited from suppliers, customers or other business partners.
- Any form of a gift that may obligate one of our employees to act in a particular manner with regard to our business is bribe and is not allowed, regardless of its value. In addition, you may not accept cash gifts, regardless of the amount. If a supplier, customer or other business partner offers you a bribe, kickback or other improper payment, you should report the attempt to the Compliance Officer, or to the Financial Controller.
- You may accept gifts of nominal value ordinarily used for sales promotions (for example, calendars, appointment books, pens, etc.) and may accept other gifts consistent with local social and business custom if reasonable in cost and frequency and reported to your supervisor.

- Ordinary “business lunches” or reasonable entertainment consistent with local social and business custom is also permissible if reasonable in cost and frequency.

If an employee receives a gift that would not be permitted by the above guidelines, it must be reported to the employee’s supervisor. We may ask the employee to return the gift or, if return of the gift is not practical, it may be required to be given to CIC for charitable disposition or such other disposition as may be appropriate. Please note that it is not our desire for our employees to appear unfriendly or unsociable. However, it is our policy to avoid any actions that may throw doubt on the integrity or motivation of our employees or CIC.

4. Do not advance your personal interests at the expense of CIC

- You may not take for yourself any opportunity for financial gain that you find out about because of your position at CIC or through the use of property or information of CIC, unless the Managing Director has made a decision to forego the opportunity (after seeking the approval of the Board of Directors, if needed).

5. Protect the property and assets of CIC and ensure their proper use

- Employees must protect property and assets of CIC from loss, waste, damage or theft and must use them only for legitimate business purposes.
- Assets of CIC include funds, investments, facilities, equipment, proprietary or confidential information, technology, business plans, ideas for new products and services, trade secrets, inventions, copyrightable materials and client lists.
- Unless otherwise prohibited by an employee’s supervisor, limited and reasonable incidental use of telephone, computer or similar equipment of CIC is permitted, so long as it does not interfere with business use and is in compliance with all other applicable policies of CIC.
- Charitable donations of cash, assets or services of CIC can only be made if approved by the Managing Director and the required approval must be sought prior to making any commitment with respect to any such donation. Charitable cash donations made to civic organizations are to be approved by the Senior Manager of Human Resources.
- Any employee found to be engaging in, or attempting theft of any property of CIC or any personal property of other employees will be subject to termination and possible civil and criminal proceedings. All employees have a responsibility to report any theft or attempted theft appropriately to management.

B. Conflicts of Interest Policy

1. Failure to disclose a conflict of interest is a violation of this Code of Conduct

We expect our employees to be free from any influence that is inconsistent with their obligations to CIC. There are many types of situations that may result in an employee having a conflict of interest or a potential conflict of interest with CIC. Having a conflict of interest does not necessarily mean you have done something improper – however, the failure to disclose the conflict of interest is a violation of this Code of Conduct.

Because there are many different types of conflicts of interest, there are also many different ways they can be resolved. For example, if a conflict arises because a family member of an employee takes a job with one of our customers, we can take steps to make sure that the family member is not in a decision-making position with respect to transactions with that customer. However, those steps cannot be taken unless prompt and complete disclosure has been made. Disclosure should be made to the Compliance Officer.

2. Your business dealings on behalf of CIC should not be influenced, or appear to be influenced, by your personal interests or your relationships with others

We expect our employees, in their work for CIC, to act at all times in the best interests of CIC. Accordingly, employees should remain free from obligations to, or relationships with, any person or company with whom we do business or compete that could interfere with that. In addition, as described above, it is also the duty of employees not to utilize their position with CIC for personal advantage or gain. The rights of our employees will be respected in the conduct of their personal affairs and investments, provided that such conduct does not adversely reflect upon CIC or conflict with their interests. Please note that any employee invited to join a corporate board of directors (whether for a public or private corporation) must obtain the approval of the Managing Director or in the case of the Managing Director (the Chairman of the Board) prior to accepting such position. Please note that this Conflicts of Interest Policy is directed only to interests of a business or financial nature. It is not intended to cover an employee's own political, civic or charitable activities, or individual participation in professional organizations. However, your supervisor's approval should be secured in advance if there is a possibility that such outside activities might interfere with the normal duties and responsibilities of your job or could create the appearance of a conflict of interest.

3. The following are examples of conflict of interest situations

While it is not possible to describe all situations and conditions that might involve a conflict of interest, the following examples indicate areas where conflicts may arise:

- Financial interests in competitors, customers, vendors or contractors.** Where an employee, close relative (such as a member of his or her family, household, in-laws, etc.) or any other person whom the employee has a close personal relationship, has a direct or indirect financial interest in an organization which does business with or is a competitor of CIC, a conflict of interest may exist.
- Serving in the management of customers, vendors, contractors, or competitors.** Where an employee serves as a director, officer, or in any management or consulting capacity with, or renders other services to another organization which does or is seeking to do business with us, or which is a competitor, a conflict of interest will normally exist.

- **Transactions with contractors, customer or vendors of CIC.** Where an employee, a close relative of the employee or any other person with whom the employee has a close personal relationship, buys, sells or leases (other than on behalf of CIC) any kind of property, facilities, services, or equipment from or to any person or organization which is, or is seeking to become, a contractor, customer, or vendor of CIC, a conflict of interest may arise.
 - ▶ A conflict would not normally exist, however, in cases of routine personal purchases, sales or leases made in the ordinary course from or to a large established company, such as for the employee's personal household needs.
 - ▶ On the other hand, if the employee, as part of his or her job responsibilities for us, is in a position to make or influence decisions pertaining to transactions with such a company, a potential conflict of interest may exist, depending on the circumstances, if he or she has any private transactions with that company.
 - ▶ **Transactions with CIC.** Any proposed business transaction between CIC and an employee of CIC (other than those relating to the employee's employment or services as an employee), or a close relative of an employee, or any other person with whom the employee has a close personal relationship would generally involve or lead to a conflict of interest and must be disclosed to appropriate management in advance and requires approval of the Financial Controller and the Compliance Officer.

- **Corporate Opportunity.** Where an employee, a close relative of the employee, or any other person with whom the employee has a close personal relationship participates in any personal venture or transactions involving any existing or potential business or activity or opportunity:
 - ▶ in which CIC has an expressed interest; or
 - ▶ is the type that CIC would be expected to consider a conflict of interest may be present, unless the Managing Director has made a decision to forego the opportunity (after seeking the approval of the Board of Directors if needed).

The above examples are not intended to be an all- inclusive list of possible conflicts. In addition, there are other situations which, while not clear- cut conflicts of interest, may be inconsistent with the high standards of business ethics that our employees are expected to follow. As noted above, you should disclose any conflicts of interest or potential conflicts of interest to the Compliance Officer.

C. Policy regarding Financial Recordkeeping and Related Internal Controls

1. Unauthorized transactions and illegal or improper recordkeeping are not permitted

- Business transactions shall be reported promptly and accurately in order to permit the preparation of accurate financial and other records
- Business transactions shall be executed only by employees authorized to do so.
- Business transactions shall be evidenced by full and complete written agreements in accordance with policies and procedures approved by the Finance Department.
- Acquisitions or dispositions of assets and other transactions are permitted only with authorization by the appropriate management levels.
- Employees are prohibited from knowingly making untrue or misleading statements to our independent auditors or internal auditors or causing anyone else to do so and no employee may seek to improperly influence, directly or indirectly, the auditing of our financial records.
- Data transmitted and/or stored electronically by CIC shall be protected from errors, disasters, misuse, unauthorized access, and fraud.

2. No employee may create or participate in the creation of any records that contain false information or that are intended to mislead anyone or conceal anything that is improper.

To ensure that records accurately and fairly represent all business transactions:

- All assets and transactions must be recorded in normal books and records.
- No unrecorded funds shall be established or maintained for any purpose.
- All expense reports must accurately reflect the true nature of the expense.
- Oral and written descriptions of transactions, whether completed or contemplated, provided to those responsible for the preparation or verification of financial records must be accurate.

If an employee becomes aware of any improperly recorded or documented transaction, he or she should report the matter immediately to the Financial Controller, the Compliance Officer or the Senior Manager of Human Resources.

3. Antitrust Laws

The objective of the antitrust laws and other laws governing competition is to promote vigorous competition by prohibiting competitors from sharing certain information or working together in certain ways that reduce competition. Our policy is that all personnel comply with all applicable antitrust laws and other laws governing competition. Employees should consult with the Compliance Officer whenever any question arises as to the possible application of the laws governing competition and be guided by the advice received.

You should be aware that serious legal consequences, including in some cases criminal fines and penalties, may result from agreements or understandings with competitors, including any such agreements:

- to set or control prices,
- to allocate customers or territories,
- on bidding terms,
- or whether or not to submit a bid for particular business or types of business, and
- to boycott customers or suppliers.

II. COMPLIANCE AND ENFORCEMENT

A. Certification

We may require certification, from time to time, from some or all of our employees regarding their compliance with this Code of Conduct, including their compliance with respect to disclosure requirements. We rely on the accuracy and completeness of these certifications. If you are asked to provide a certification, please make sure to complete the form carefully and sign and return it promptly.

B. Reporting Violations of this Code of Conduct

1. Reporting known or suspected violations of this Code of Conduct or any legal or ethical obligations is the responsibility of every employee

If you suspect or believe that another employee (including part-time and temporary employees), is violating the law, this Code of Conduct or our other policies or is engaging in activities on our behalf that could damage our reputation, you must report this to the Compliance Officer. In addition, you are encouraged to raise any other issues or concerns you may have relating to compliance matters and ethical business practices, whether or not specifically addressed in our formal policies.

All reports shall be treated confidentially to the extent possible consistent with fair and rigorous enforcement of this Code of Conduct. We understand that you may find it difficult to report suspected violations by those you work with; however, we must take steps to prevent and detect criminal or unethical conduct in order to avoid jeopardizing the welfare of CIC and all its employees and customers.

2. Non-Retaliation Policy

Our commitment to conducting business in accordance with legal and ethical obligations requires any environment that allows employees to report known or suspected violations without fear of retaliation or retribution. No employee should be discouraged from using any available channel to raise his or her concerns. It is our intent to foster an environment where employees will choose whichever method they are most comfortable with to communicate their concerns.

NON-RETALIATION POLICY

We are committed to providing a workplace conducive to open discussion of our business practices. It is our policy to protect employees who make reports, in good faith, of potential violations of our Code of Business Conduct, the policies in our Employee Handbook, other company policies and applicable law. In addition, it is our policy to comply with all applicable laws that protect employees against unlawful discrimination or retaliation by their employer as a result of their lawfully reporting information regarding corporate fraud or other violations of law by CIC or its employees.

Any employee who retaliates against another employee for reporting problems will be subject to disciplinary action, which may include termination of employment. If an employee believes that he or she has been subjected to any action that violates this Non-Retaliation Policy, he or she should report that to the Compliance Officer, to the Financial Controller or to the Senior Manager of Human Resources. This Non-Retaliation Policy applies even if an allegation that was made in good faith ultimately turns out to be groundless. However, employees who file reports or provide evidence that they know to be false or without a good faith belief in the truth of such information will not be protected by this Non-Retaliation Policy and may be subject to disciplinary action, including termination of their employment.

C. Compliance Officer

A Compliance Officer has been appointed to assist in the implementation of this Code of Conduct. The current Compliance Officer is Mr. Kew Sy Leng, can be reached at 017 434 4088 You may also reach him at skew@cicb.com.my or by writing to: Central Industrial Corporation Berhad, Lot 77 & 78, Persiaran 11, Kawasan Perusahaan Bakar Arang 08000 Sungai Petani, Kedah Darul Aman.

D. Investigation of Suspected Violations

CIC allows the use of any lawful method of investigation that it deems necessary to determine whether a person has violated applicable law, this Code of Conduct or other policies of CIC or has otherwise engaged in conduct that interferes or adversely affects the business. All employees are expected to cooperate in the investigation of any such alleged violation. It is imperative, however, that even a preliminary investigation of any suspected violation NOT be conducted without first consulting with the Compliance Officer or seeking assistance from the Senior Manager of Human Resources. Following the completion of the investigation, appropriate members of senior management will determine appropriate action.

E. Disciplinary Action

Violations of this Code of Conduct will result in disciplinary action, which may include termination, reprimands, warnings, suspensions with or without pay, demotions or salary reductions. Violators may also be subject to civil or criminal prosecution. Disciplinary actions may also extend to a violator's manager if it determined that the violation involved the participation of the manager or resulted from the manager's lack of diligence in enforcing compliance with this Code of Conduct.

We will document disciplinary actions taken against our personnel for violations of this Code of Conduct. Such documentation will be included in the individual's personnel files. In reviewing the appropriate disciplinary action imposed for a violation of this Code of Conduct, senior management shall take into account the following factors:

- the nature of the violation and the ramifications of the violation to CIC;
- whether the individual was directly or indirectly involved in the violation;
- whether the violation was willful or unintentional;
- whether the violation represented an isolated occurrence or a pattern of conduct;
- whether the individual in question reported the violation;
- whether the individual withheld relevant or material information concerning the violation;
- the degree to which the individual cooperated with the investigation;
- if the violation consisted of the failure to supervise another individual who violated this Code of Conduct, the extent to which the circumstances reflect inadequate supervision or lack of due diligence;
- if the violation consisted of retaliation against another individual for reporting a violation or cooperating with an investigation, the nature of such retaliation; and
- the individual's past violations, if any.