

Revision No.	00
Effective Date	28-08-2013



KIA LIM BERHAD

Company No.: 199501013667 (342868-P)

DIRECTORS' CODE OF CONDUCT AND ETHICS

The Directors' Code of Conduct and Ethics ("Code") is to be observed by the Board members of the Kia Lim Berhad at all times. The principles outlined herein are intended to:

- codify a standard of conduct by which all Directors are expected to abide;
- protect the business interests of the Company;
- maintain the Company's reputation for integrity; and
- foster compliance with applicable legal and regulatory obligations.

1. CODE OF ETHICS

- a) Board members shall act with integrity and in an ethical and professional manner in their interactions with each other;
- b) Board members shall use proper care and exercise independent professional judgement in the performance of their duties;
- c) Board members shall maintain confidentiality about all matters that are considered in closed meetings; and
- d) Board members shall exercise due diligence to avoid breaches of duty via negligence, intentional action or omission, and unauthorized communications with individuals trying to influence by improper means or seeking to receive personal gains through Board decisions.

2. STANDARDS OF CONDUCT

- a) Board members shall not engage in conduct that would compromise, discredit, or diminish the integrity of the Board;
- b) Board members will respectfully consider the opinions of others during deliberations, strive for integration of viewpoints or consensus building in decision-making, and will respect the corporate judgement of the Board in regards to its decision; and
- c) Board members will refrain from using Board meetings to advance their personal agenda.

3. GIFTS

- a) A Board member shall not solicit or receive a gift or favour from any person, company, or organization, or from any intermediary interest, that may compromise or appear to compromise the independent judgement of the member regarding his or her obligations to the Board; and
- b) Social amenities customarily associated with legitimate business relationships are permissible. These include the usual forms of entertainment such as lunches or dinners as well as occasional gifts of modest value.

4. CONFLICT OF INTEREST

- a) The Board of Directors must act at all times in the best interests of the Company and not for personal or third party gain or financial enrichment; and
- b) When encountering potential conflicts of interest, board members will identify the conflict and as required remove themselves from all discussion and voting on the matter.

5. USE OF NON-PUBLIC INFORMATION AND DISCLOSURE (INSIDER TRADING)

- a) A Board member who knows important information about the Company that has not been disclosed to the public must keep such information confidential; and
- b) Board members shall maintain the confidentiality of any non-public information learned in the performance of their duties on behalf of the Company, except when disclosure is authorized or legally mandated.

6. USE OF COMPANY FUNDS, ASSETS AND INFORMATION

- a) A Board member shall protect the Company's funds, assets and information and shall not use the Company funds, assets and information to pursue personal opportunities or gain;
- b) No Company funds, assets or information shall be used for any unlawful purpose; and
- c) No undisclosed or unrecorded fund or asset shall be established for any purpose.

7. SOCIAL RESPONSIBILITIES AND THE ENVIRONMENT

- a) The Company shall constantly conceptualises and implements corporate social responsibility programmes and initiatives to minimise environmental impact.
- b) Directors shall be responsible to maintain a safe and healthy workplace by following safety rules and practices and by reporting accidents, injuries and unsafe equipment, practices or conditions. Group related work is performed in a safe manner, free from the influences of alcohol, illegal drugs or controlled substances. The use of alcohol, tobacco or illegal substances inside the workplace is not tolerated.
- c) Directors shall ensure that the activities and the operations of the Company do not harm the interests and wellbeing of society as a whole.
- d) The Company is committed to providing all directors, officers and employees with an environment that respects their basic human rights and is free from discrimination and harassment. Each director is responsible for taking all reasonable precautions to not demonstrate behavior that can be reasonably construed as discriminatory or harassing in nature, whether on grounds of gender, race, religion or sexuality.

Directors are encouraged to report all incidents of discrimination and harassment to the Chairman.

8. PROPER RECORDS AND COMMUNICATION

- a) Directors must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:
 - i) false expense claims, attendance, production, financial or similar reports and statements.
 - ii) false advertising, deceptive marketing practices or other misleading representations.

9. SPOKESMAN

- a) Only the Chairman and Chief Executive Officer are authorized spokesmen of the Company. Other appointed agents may sometimes be appointed to speak on behalf of the Company temporarily, by the Chairman, Chief Executive Officer or Executive Directors.
- b) Only the authorised spokesman or other authorised person is allowed to address the public, approve announcements, make press releases, clarify rumours and/or authorise the publication of any contents on the Company's website on behalf of the Company.

10. WHISTLE BLOWING

- a) Whistle blowing is a specific mechanism by which a worker or stakeholder can report or disclose through established channels, concerns about any violations of the Code, unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future.
- b) Only genuine concerns should be reported under the whistle blowing procedures. Under the Company's whistle blowing policy, such report should be made in good faith with a reasonable belief that the information and any allegations in it are substantially true, and the report is not made for personal gain. Malicious and false allegations by the whistle blower will be viewed seriously and treated as a gross misconduct and if proven, may lead to dismissal or termination of the whistle blower who abuses this system. The identity of the whistle blower will always be kept in strictest confidentiality.

11. BREACHES OF THE CODE

- a) In case of breaches of this Code including violations of laws, rules, regulations or the Company's policies by any director, the director or other directors are required to:
 - i) as soon as possible, disclose the violations to the Chairman and the rest of the directors;
 - ii) use best efforts to reduce the magnitude of damage/loss, if any; and
 - iii) strictly observe the whistle blower policy.

12. WAIVER OF THE CODE

In extraordinary circumstances and where it is clearly in the Company's best interests to do so, the Chairman, upon recommendation by the Audit Committee and approval by the Board, may waive a director's compliance with any provision of this Code. Conditions may be attached to such a waiver.

13. REVIEW OF THE CODE

The Board shall periodically review and reassess the adequacy of the Code and make such amendments to this Code when the Board may deem appropriate.

The Code is made available for reference on the Company's website at www.kialim.com.my.