



Boon Koon Group Berhad

Code of Conduct for Directors

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1. Standard of Conduct

In discharging his or her duty to direct the management of the business and affairs of Boon Koon Group, a director shall at all times act in a manner he or she believes in good faith to be in the best interests of Boon Koon, and exercise the care an ordinarily prudent person in a like position would exercise under similar circumstances. The BKG reserves the right to modify, add-in or/and remove any clause within this Code of Conduct.

The Board represents the interests of shareholders, as owners of Boon Koon, in optimizing value by overseeing management performance on the shareholders' behalf. The Board's responsibilities in performing this oversight function include a duty of care and a duty of loyalty.

A director's duty of care refers to the responsibility to exercise appropriate diligence in overseeing the management of Boon Koon and its subsidiaries, in making decisions and taking other actions.

In meeting the duty of care, directors/senior management are expected to:

- Carry out the management of the business and affairs of the company in which he/she has been appointed to be in charge
 - In accordance with the direction of the board
 - The board of directors has all the power and authority necessary for managing and for directing and supervising the management of the business and affairs of the company subject to any modification, exception or limitation contained in the Company Act (Act125) clause 131B, mentioning “Functions and powers of the board”
 - Must be able to conduct and carry out all the requirements and expectations lay-out by BKG in order to reach the common objective.
- Attend and participate in board meetings, committee meetings and /or any meetings conducted by BKG;
 - Personal participation is required.
 - There shall be no appointments scheduled on the date of the meeting and in the event the duration of the meeting is extended, the attendance is compulsory until the meeting ends.
 - Non attendance of consecutive 2 times is a violation of this Code
 - Non attendance is not encourage and should be avoided at all times
 - In case of emergency and not able to attend
 - All application of leaves for non attendance must be done 3 working days before the date of the meeting to the Chairperson
 - Straight off rejection of leave from the meeting will cover but not limited to:-
 - Application for Holiday
 - Business trips
 - Each non attendance must be attended by a person who is able to represent on behalf of the director who is on “leave”
 - The board has the authority to call for a meeting with 48 hours’ notification, and determining the place and time for the meeting
- Remain properly informed about Boon Koon's business and affairs.
 - Directors/Senior Management must devote appropriate time to reviewing periodic updates provided by management, as well as studying board materials prior to each meeting.
- Rely on others.
 - Absent knowledge that makes reliance unwarranted, directors/senior management may rely on board committees, management, employees, and professional advisors.

- Make inquiries.
 - Directors/Senior management should make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them appropriately.
- Board Interaction With Institutional Investors, the Press and Others
 - Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with Boon Koon. However, it is expected that directors will do so only with the knowledge of the Group CEO, Group COO and Group CFO.
- Duty of loyalty refers to the responsibility to act in good faith and in Boon Koon's best interests, not the interests of the director, a family member or an organization with which the director is affiliated. Directors shall not use their positions for personal gain. The duty of loyalty may be relevant in cases of conflict of interest (section 2 below), and corporate opportunities (section 3 below).
- Directors/Senior management must provide and submit proper proposal to the BKG management for approval before implementation, when there is any deviations
 - From normal business flow, which requires new capital expenditure
 - From any operating expenses, which is not budgeted
 - From any incentives or allowances, which are not included in the normal operation process
 - From current business model and product range
 - From any add-on of senior management staff
 - From any add-on of working capital, loans etc.
- Others:
 - Director must not be a bankruptcy, as per Company Act (Act125)
 - Director(s) must disclose all directorship of other companies he/she has interest-in prior to become a director to Boon Koon or to any of Boon Koon's subsidiaries.

2. Conflicts of Interest

Directors must avoid any conflicts of interest between the director and Boon Koon. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with Boon Koon, should be disclosed promptly to the Chairman of the board and must ensure that all proceedings are properly recorded during the meetings and with approval granted from the board.

- A "conflict of interest" can occur when a director's private interest interferes in any way - or even appears to interfere - with the interests of Boon Koon as a whole. Conflicts of interest can also arise when a director, or his or her immediate family member, takes action or has interests that may make it difficult to serve as a director of Boon Koon objectively and effectively or receives improper personal benefits as a result of his or her position as a director of Boon Koon.
- For the purposes of this Code, "immediate family member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. Detailed definition with reference to "Company Act 1965 – Act 125, clause 122A"
- Conflicts of interest may arise indirectly - for instance, when a director is an executive officer, major shareholder or otherwise has a material interest in another company or organization doing business with Boon Koon.

3. **Corporate Opportunities**

3.1 Directors are prohibited from:

- (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position;
- (b) using Boon Koon's property, information, or position for personal gain;
- (c) competing with Boon Koon, with similar product, similar business nature etc
- (d) setting up of a business entity without any prior notification given to the board

provided, however, if Boon Koon's disinterested directors determine that Boon Koon will not pursue an opportunity that relates to Boon Koon's business, a director may do so.

Directors owe a duty to Boon Koon to advance its legitimate interests when the opportunity to do so arises. Directors' involvement also includes indirect dealing through parties as per mentioned in the definition with reference to "Company Act 1965-Act 125, clause 122A"

3.2 Resigned and/or Outgoing Directors from the board are prohibited from:

- 3.2.1 Setting up of a business entity;
- 3.2.2 Indirectly involved in business entity;
- 3.2.3 Being a Consultant or/and being an Advisor to a business entity;

With similar product, similar business nature, within similar business operating zone (defined as within 50KM radius) for a period of not less than 24 physical calendar months from his official resignation.

- a) Official resignation is defined as his/her removal from the board and from all the relevant official governmental required registrations and documents
- b) Resigned and/or Outgoing Directors' involvement also includes indirect dealing through parties as per mentioned in the definition with reference to "Company Act 1965-Act 125, clause 122A"

4. **Confidentiality**

Directors shall maintain the confidentiality of information entrusted to them by Boon Koon or its customers, and any other confidential information about Boon Koon that comes to them, from whatever source and in whatever form or medium, in their capacity as a director, except when disclosure is authorized or legally mandated. For purposes of this Code, "Confidential Information" includes all non-public information relating to Boon Koon that might be of use to competitors, or harmful to Boon Koon or its customers, if disclosed.

5. **Fair Dealing**

Each director should endeavor to deal fairly with Boon Koon's customers, suppliers, competitors and employees. No director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other sharp practices.

6. **Protection and Proper Use of Boon Koon Assets**

Directors must protect at all times Boon Koon's assets (including intellectual properties and company owned documents) and ensure their efficient use. Directors must not use company time, employees, or other assets for personal benefit without prior authorization from the group CEO or as part of a compensation or expense reimbursement program available to all directors.

7. Compliance with laws, rules and regulations

Directors shall comply with applicable laws, rules and regulations in their service to Boon Koon, including without limitation, the applicable provisions under the Company Act 1965 (Act 125) of Malaysia jurisdiction and laws.

8. Encouraging the reporting of any illegal or unethical behavior

Directors should promote ethical behavior and take steps to ensure Boon Koon:

- (a) Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation;
- (b) Encourages employees to report violations of laws, rules, regulations
- (c) Informs employees that Boon Koon will not allow retaliation for reports made in good faith.

9. Conduct during meetings

Directors are required to show high level of self presentation during any meeting conducted by the board, by

9.1 Show of courtesy and respect to the board chairman and fellow directors,

9.1.1 High level of cooperation between fellow directors is encouraged

9.2 Showing of high integrity in maintaining all confidential information and/or document gained during the meeting,

9.3 Show of professionalism at all times;

9.3.1 Show of proper dressing

9.3.1.1 Office attire is preferred and highly recommended

9.3.2 No show of negativity and non cooperative when the board has endorsed and approved a resolution to proceed, the decision of the board is final,

9.3.3 Good manners are recommended.

9.3.3.1 Hitting on the tables and chairs are not encourage and should be avoided at all times

9.3.3.2 No show of shouting during the meeting,

9.3.3.3 No interruption when a fellow director is speaking.

9.3.3.3.1 Debate can be done at the end

9.3.3.4 Refrain usage of profanity languages

9.3.3.5 Handphones must be set to silent or switch off

9.3.3.6 No walk out from the meeting is allowed when the meeting is officially in progress, unless permission granted from the Chairperson

9.4 Meeting Structure

9.4.1 Agenda of meetings must be ready before the meeting starts

9.4.2 All meeting conducted must follow through with the Agenda set.

9.4.3 The “Chairperson” of the meeting must ensure that the meeting carried out keeps strictly to the Agenda.

9.4.4 All Directors must adhere to this ruling and the “Chairperson” has all the authority during the meeting, to impose strict disciplinary action during the meeting against any Directors or person(s) attending the meeting, not limited only to the removal of such Director(s) or person(s) after giving 2 times warning. The “Chairperson” must report that particular incident to the Audit Committee for further actions.

- 9.4.5 Separate meeting involving the relevant Directors and/or person(s) can be called to deal with the matter and decision has to be made at the end of the separate meeting, unless with request, the Chairperson can be invited to witness and/or be a member to the separate meeting called.
- 9.4.6 All meeting conducted must follow through the timing schedule set within the meeting Agenda. It is highly desirable that all Directors attending the meeting must keep to the contents of the Agenda, and deviations are not recommended and should be avoided at all times
- 9.4.7 All other reporting and/or issues and/or updates must be done at the closing of the meeting under “Other matters” in the Agenda,
 - 9.4.7.1 If not stated, then permission must be requested from the Chairperson to proceed. The Chairperson has the jurisdiction to allow or disallow

10. Waivers; Compliance Procedures

Any waiver of any provision of this Code may only be made by the Risk Committee after due deliberation and a determination by such committee that appropriate controls to protect Boon Koon Berhad and/or it's subsidiaries and/or it's affiliated business partners and/or any business entity that has Boon Koon's interest are in place.

10.1 Directors shall communicate any suspected violations of this Code promptly to the Chairman of the Risk Committee. Violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violations of the Code.

Boon Koon Group Berhad

Code of Conduct Policy for Employees

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2. Accurate and Complete Accounting
3. Bribes and Kickbacks
4. Gifts and Entertainment
5. Conflicts of Interest
6. Diverting
7. Confidentiality
8. Political and Charitable Contributions
9. Administration of Code

Boon Koon Group Berhad prides itself as having high standards of excellence which are embodied by our operating principles. We expect our employees to personify these principles when dealing with persons both inside and outside the Company.

The following code of conduct is intended to provide guidelines for the professional, ethical, legal, and socially responsible behavior that we expect of our employees. However, it is impossible for this code to cover every situation that may arise. When you have a question, consult your Superior or the Group HR Manager – Human Resources. In circumstances where you are unable to consult with an appropriate person in the Company, use your common sense and good judgment.

I. Professional Integrity

Consistent with our operating principles, employees should strive to conduct all business dealings and relationships with integrity, honesty, and respect for others. Employees should loyally and faithfully serve our principles and always deal fairly and honestly with customers and others with whom we do business. No employee should knowingly permit any transaction to occur through his or her offices that is not fair to us and customers alike. Relationships with customers, manufactures, suppliers, competitors, and employees are to be based on fair dealing, on fair competition in quality, price, and service, and on compliance with applicable laws and regulations.

II. Accurate and Complete Accounting

- Employees should use the approved company's funds and other property solely for the benefit of the company. All disbursements must be lawful and consistent with instructions and approval provided by the company. Transactions concerning the account, including the purchase and distribution of monies, should be clearly authorized and properly and promptly recorded.
- No unrecorded fund, reserve, asset, or special account shall be set up or maintained for any purpose. No false or fictitious entries shall be made in books, records, accounts, or in company communications for any reason. No payment or transfer of funds or assets (both tangible and intangible) shall be made for any purpose other than that described by the supporting documents, and specifically as authorized by the Company or clearly within the discretion granted to the Company by the Management.
- Employees are responsible for the accurate and timely recordkeeping for all company assets, liabilities, revenues, and expenses. Compliance with accepted accounting rules and controls is required. All books, records, supporting vouchers and documents must accurately and completely describe the transactions they represent.

III. Bribes and Kickbacks

- The company does not permit or condone bribes, kickbacks, or any other illegal, secret, or improper payments, transfers, or receipts. This prohibition applies both to the giving and the receiving of payments or gifts.
- All payments and transfer of monies and other items of value to employees of other business entities or to such entities themselves shall be made openly and must be disclosed and authorized in advance by the Company.

- No employee shall offer, give, or transfer any money or anything else of value for the personal benefit of any employee or agent of another business entity for the purpose of:
 1. Obtaining or retaining any business that the business entity itself would not otherwise provide
 2. Receiving any kind of favored treatment that the business entity would not otherwise provide
 3. Inducing or assisting such employee or agent to violate any duty to his employer or to violate any law.
- No employee shall assist in the misuse of company funds, including, without limitation, the misappropriation of such funds for the personal benefit of employees of the Company, or customers.
- No outside agent of any kind shall be used to circumvent the prohibition against bribes, kickbacks, and other illegal, secret, or improper payments. Fees, commissions, and expenses paid to outside agents must be based upon proper billings, accurate recordkeeping, and reasonable standards for service rendered.

IV. Gifts and Entertainment

- Except in connection with and specifically pursuant to programs officially authorized by the Company, employees may not accept, directly, any money, objects of value, or monies from any person or Company that has or is doing or seeking business with the Company. All employees must disclose authorized transactions of this nature to the Company. Providing excessive gifts or entertainment to other who may represent potential business is prohibited.
- Employees may accept only business-related meals, entertainment, gifts, or favors when authorized by the Management and when the value involved in is not significant and clearly will not create an obligation to the person.
- Any payments or transactions must be accurately recorded in the company's books and records and must be consistent with applicable law and accepted practice of the Company and country.

V. Conflicts of Interest

- No employee should use his or her position with the company or information acquired during employment in a manner that may create a conflict, or the appearance of a conflict, between the employee's personal interest and those of the Company.
- All activities conducted as an employee of the Company should always place the lawful and legitimate interests of the company over personal gain.
- In the absence of written authorization by the Company, no employee shall be affiliated with any buyer, purchasing agent, or provider of goods or services (vendors) to the Company. Such affiliation generally is inconsistent with the employee's capacity to deal equitably with all buyers, vendors, to fairly and honestly service and to discharge his or her responsibility to the Company.

- If an employee has any reason to believe there may be a conflict of interest, he or she should immediately disclose the matter to an immediate Superior or persons in a higher authority.

VI. Diverting

Diverting is defined as “a process in which a product is sold by a manufacturer to a specific customer in a designated market, who subsequently transfers product ownership, distribution and retail control to a different customer and / or marketing area”. It is a process that many customers prohibit either by policy or in their contracts with the Company. Employees shall not knowingly assist or otherwise be involved with the diverting of any products.

VII. Confidentiality

- Except as properly authorized by the Company, it is the responsibility of all employees to maintain the confidentiality of:
 1. Proprietary information of the company
 2. Information entrusted to the company by customers that is otherwise not readily available to the public or anyone else
- Employees should refrain from discussing confidential Company business with outsiders and with anyone else who does not have a legitimate need to know the information. Employees should refer outside inquiries regarding the Company to the persons in the company authorized to respond to the particular inquiry.

VIII. Political and Charitable Contributions

Although employees are encouraged to be socially responsible, employees may not contribute the company’s fund or assets to any political candidates, party, charity, or similar organizations, unless such contribution is expressly permitted by law and has been preapproved by the appropriate, authorized representative of both the Company.

IX. Administration of Code

- All employees who suspect violations of the letter or spirit of this code have an obligation to report their concerns to the CEO or Group HR Manager – Human Resource. Matters of concern include pressure exerted by vendors, customers, Company’s personnel, or others to utilize accounts in an unauthorized manner or to take or enable other actions inconsistent with authorized Company’s procedures and policies or this code. Employees may also relate their suspicions or specific incidents to the CEO or Group HR – Human Resources.
- All allegations of improper or illegal behavior will be investigated promptly and thoroughly. The investigation shall remain as confidential as practicable and those conducting the investigation shall respect the privacy of all persons involved.
- No adverse action shall be taken or permitted against anyone for communicating legitimate concerns to the appropriate persons. While an investigation will be facilitated if the employee identifies himself or herself, the company will accept and investigate matters submitted anonymously.

Note: This code is subject to amendment and may be reviewed and updated periodically. All employees must certify their acknowledgement and intent to comply with the guidelines herein.