

MALAYAN FLOUR MILLS GROUP



CODE OF CONDUCT

Third Edition (2024)

**FOREWORD BY THE EXECUTIVE DEPUTY CHAIRMAN CUM MANAGING DIRECTOR,
MALAYAN FLOUR MILLS GROUP**

Dear Fellow Colleagues,

In our journey towards becoming a leading regional food manufacturer, we are continuously evolving in a dynamic and competitive business and operating landscape. Good governance and professional ethical practices have become ever so crucial to us as transactions are completed in a matter of seconds in the digital space. Furthermore, in a highly regulated industry, we need to sustain the business operations through compliance to world class standards, regulatory requirements, government policies and local laws that are increasingly stringent as the landscape rapidly evolves.

This Code of Conduct forms one of the cornerstones for our long-term sustainable success. The workforce culture builds on this cornerstone that is exhibited in the way we conduct ourselves in our daily lives and the manner we interact with our counterparts, stakeholders as well as business partners.

Teh Wee Chye

Executive Deputy Chairman cum Managing Director
Malayan Flour Mills Group

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OBJECTIVE

This Code of Conduct of Malayan Flour Mills Berhad ("MFM") and its subsidiaries (collectively referred to as "MFM Group" and individually referred to as "the Company") sets out the ethical standards to all directors and employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment.

COVERAGE

This policy is applicable to all directors and employees within the MFM Group.

COMPLIANCE

This policy is now in force across the MFM Group and all directors and employees must comply with it. Disciplinary action may be taken against employees who are found guilty for non-compliance of the Code of Conduct.

CODE OF CONDUCT

This Code of Conduct contains the policies that relate to the ethical standards of conduct that all directors and employees are expected to comply with while carrying out their duties and responsibilities on behalf of MFM Group.

Every director and employee must display and behave in a manner which is consistent with the MFM's philosophy and core values. The following Code of Conduct must be adhered to at all times by every director and employee within the MFM Group: -

1. Demonstrating Commitment

All employees must display full commitment and loyalty towards the MFM Group and its mission. Every employee is expected to work as a team player to promote and advance the interests of MFM Group at all times. They are to behave and dressed professionally, and adhere to all policies, procedures, rules and regulations of MFM Group, whether expressed or implied, and consciously strive to deliver the Key Result Areas assigned by the Management to achieve MFM Group's objectives.

2. Living Our Core Values

All employees must live our core values of "Qualitas", "Consilium" and "Progressus".

Employees are expected to have a quality mindset in discharging their duties. This includes purchasing of raw material of consistent quality, meticulous care

in production and making available to the public consistent quality products and services at reasonable prices.

The unity of employees and management is essential to a successful enterprise. Employees are expected to be a team player within the MFM Group and collaborate with each other for the betterment of MFM Group.

All employees are also expected to make continuous improvement in their work in order to maintain its competitive edge and contribute effectively to benefit MFM Group and society.

3. Avoiding Conflict of Interest

All directors and employees should avoid conflict of interests between themselves and the Company. A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interests of the Company. A conflict situation can arise when the director or employee takes actions or has interests that may make it difficult to perform his or her work on behalf of the Company objectively and effectively.

Conflicts of interest may also arise when the director or employee, or members of their family, received improper personal benefits as a result of the director or employee's position in the Company.

Examples of conflicts of interest include but not limited to the following: -

- a) Working in any capacity (as a part time staff, consultant, etc.) for a competitor, customer or supplier while employed by the Company.
- b) Directly or indirectly owning or holding a substantial financial interest in a company which has material business dealings with the MFM Group or which engages in any significant field of activity engaged in by the Group.
- c) Accepting gifts, payments or services of significant value, sexual favours, excessive entertainments or recreational trips from our competitors, consultants, suppliers or customers, that is otherwise likely to be seen as inappropriate.
- d) Business trips that are sponsored by consultants, suppliers, customers, business partners, etc. must be justified to benefit the Company and to be approved by the Executive Deputy Chairman cum Managing Director of MFM Group.
- e) Knowingly competing with the MFM Group's business, services or other interest.
- f) Passing business to family members or to a supplier or customers owned or managed by, or which employs, a family member or relative that have an influential role in the business, without the approval from the Executive Deputy Chairman cum Managing Director of MFM Group.

Each director and employee must disclose any actual or potential conflict of interest. New employees shall complete the Conflict of Interest Disclosure Form as part of onboarding or at completion of the Code of Conduct training.

A director or employee shall also disclose any new actual or potential conflict of interest to the General Manager, Corporate Affairs and/or Deputy General Manager, Group Human Resources within 30 days of such conflict arising using the Conflict of Interest Disclosure Form.

4. Preventing Bribery and Corruption

Directors and employees will not under any circumstances utilise bribery and corruption in conducting the MFM Group's business. They will not offer or provide any gifts, payment or any benefit to any person, either directly or indirectly, any undue pecuniary or other advantage for the purpose of influencing, obtaining, retaining, directing or securing any improper business advantage from a public official or any external parties to the advantage of the MFM Group.

A public official is any domestic and international government official, including with no limitation to: (1) any elected or appointed officials; (2) employees of any executive, legislative, or judicial department, agency, or instrumentality of any government, from the local level to the national level, regardless of rank or authority; (3) persons acting in an official capacity on behalf of any government official or entity, whether paid or unpaid; (4) officers and employees of political parties; (5) candidates for political office; (6) officers and employees of state-owned or state-controlled business, school, hospital, or other entity; (7) Royalty, even with simple ceremonial functions; and (8) officers and employees of public international organisations or any departments or agency thereof (such as, the United Nations, the Red Cross, and the World Bank).

"Facilitation" (or "grease") payments are also prohibited. Facilitation payments are payments outside of published fee schedules, no matter how small, made to the public officials or persons of influence to expedite or "facilitate" performance of non-discretionary, routine governmental actions (e.g., obtaining a permit or license, processing government papers, providing police protection, loading or unloading cargo, turning on utility services). Under no circumstances may any MFM Group's employee make facilitation payments in any form.

A director and employee shall not in any manner solicit, offer or receive an offer of graft or a bribe for his/her own benefit or his/her relatives, with intent to influence his/her conduct in relation to the Company's affairs.

Directors and employees are prohibited to accept personal gifts/hampers during festive seasons or any celebrations. Any gifts received for such occasions must be declared to the Administration Department of each location. The Executive Deputy Chairman cum Managing Director of MFM

Group shall decide on how the gifts to be managed. Directors and employees are strictly forbidden to accept cash or cash vouchers of any amount.

Generally, directors' and employees' activities must not contravene any applicable anti-corruption measures.

Directors and employees shall refer to the Policy and Guidelines on Gifts and Entertainment for details, guidance and disclosure.

5. Practising Confidentiality and Data Protection

All directors and employees must maintain and protect the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorised by the Company or required by law.

"Confidential information" includes all non-public information that might be of use to competitors, or harmful to the Company, its customers or suppliers, if disclosed. It includes but is not limited to data on trade secrets, business, research, and new product plans, objectives and strategies, records, databases, employees' salaries and benefits, employees' personal information, customers and suppliers' lists and any unpublished financial, tender or pricing information. Proprietary intellectual property, such as, patents, trademarks, and copyrights, some of which may be public, but in which MFM Group has ownership rights, must also be protected.

Unauthorised use or distribution of confidential or proprietary information or data violates MFM Group policy and could be illegal. Such use or distribution could result in negative consequences to both the MFM Group and the individuals involved, including potential legal and disciplinary actions.

The employee shall not at any time either during his/her employment or after he/she ceases to be in the employment of the Company, use for himself/herself or disclose to other parties or cause to be published any part of the Confidential Information without the prior consent of the Company. All proprietary information in the employee's possession must be returned to the Company upon leaving the organisation.

Any employee who receives a subpoena or other requests seeking disclosure of Company information is to contact the Executive Deputy Chairman cum Managing Director of MFM Group for guidance.

6. Communicating Externally and Internally

All employees are restrained from making or distributing any form of public statements made by themselves or anyone else, whether orally or in writing, on the policies or decisions of the MFM Group. Only authorised personnel by the Executive Deputy Chairman cum Managing Director or the Board of Directors of MFM can make or release any statements on the Company to the media, government or private sectors locally and overseas.

An employee who is invited as a speaker in public talks, seminars or conferences relating to his/her job must first seek prior approval from the Executive Deputy Chairman cum Managing Director of MFM Group if he or she wishes to participate.

Employees must also adhere to the MFM Group's Acceptance Use Policy on e-mail and social media etiquette when communicating with internal or external parties.

7. Protecting Company Assets and Resources

All directors and employees should endeavour to protect the Company's assets and ensure their efficient use. Unnecessary wastage, carelessness and theft have a direct impact on the Company's profitability and performance.

Hence, any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

Directors and employees are prohibited to install any illegal software in the Company's computers or use the company's computers to surf illegal websites like pornography, gambling, etc.

8. Giving Equal Opportunity, Non-Discrimination and Fair Employment

The MFM Group's policies for recruitment, advancement, and retention of employees forbid discrimination on the basis of race, colour, gender, religion, national origin, or age. Our corporate philosophy is to ensure that employees are treated with respect and dignity.

In keeping with this objective, conduct involving discrimination or harassment of others, including sexual harassment, will not be tolerated. All directors and employees are required to comply with the MFM Group's policy on equal opportunity, non-discrimination, and harassment.

9. Ensuring Safety and the Environment

All directors and employees should carry out our business in an environmentally responsible manner and to promote a safe workplace for all our people. We should economise the use of non-renewable energy/raw materials, minimise wastages and adverse environmental effects from our products. It is our duty to identify and monitor any risks to environment associated with our business activities to prevent any industrial accidents or mishaps that could harm the safety of our employees and our customers.

10. Prohibiting Insider Trading

All directors and employees are prohibited to use non-public information about MFM or other companies learnt through their directorship/employment to influence our, or anyone else's, decision to purchase or sell securities. Confidential information should be protected from improper disclosure, and any authorised communication of confidential nature should be limited to individuals who have a "need to know" basis.

11. Complying With Antitrust and Competition Laws

The Company believes in competing vigorously, honestly, and in compliance with both the Policy and Guidelines on Antitrust and the spirit of the antitrust laws. It is therefore the responsibility of every MFM Group's personnel to comply fully with all applicable antitrust and competition laws in the performance of their duties on behalf of the Company.

Directors and employees shall refer to the Policy and Guidelines on Antitrust for details, guidance and disclosure.

CONCLUSION

While we acknowledge that no Code of Conduct can anticipate every situation that may arise, the Company expects each director and employee to act with honesty, integrity and insight to exercise independent professional judgment and to deter wrongdoing in the conduct of all duties and responsibilities on behalf of the Company.

All directors and employees are to faithfully and diligently discharge their official duties assigned by the Company to the best of their abilities and take accountability for their own actions. They are to adhere to all the present and future guidelines, policies and procedures issued by Management from time to time.

This Code of Conduct is also subject to change and review as and when it deems necessary by the Company.

The End

FOR THE EMPLOYEE



EMPLOYEE DECLARATION

PERSONAL COMMITMENT TO THE MALAYAN FLOUR MILLS GROUP'S CODE OF CONDUCT

I acknowledge that: -

- I have been furnished a copy of this Code of Conduct.
- I have read and understood this Code of Conduct.
- I accept to comply with this Code of Conduct.
- I understand that any breach of this Code of Conduct may result in disciplinary action being taken against me.

Signature : _____

Name : _____

Company : _____

Department : _____

Date : _____

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Signature : _____

Name : _____

Company : _____

Department : _____

Date : _____

This section is to be completed and returned to the Human Resources Department.

Thank you.

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THE CONFLICT-OF-INTEREST DISCLOSURE FORM

A Conflict of Interest occurs when a MFM Group personnel's private interest interferes or appears to interfere with the interests of the Company. MFM Group's Code of Conduct requires that: (1) each director and employee disclose any actual or potential conflict of interest before or at the time of onboarding; (2) current employees complete the Conflict-of-Interest Disclosure Form as necessary at completion of the Code of Conduct training; and (3) directors or employees disclose any new actual or potential conflict of interest within thirty (30) days of such conflict's arising.

Conflict of Interest, actual, apparent or potential, may include with no limitation to the situations where you, or a family member of yours:

- both work at the Company and within the same supervisory line;
- work for a Company's customer or supplier, or one of the Company's competitors;
- own or hold a financial interest in an entity that does business either with MFM Group or in the same field of business as the MFM Group's;
- serve on the Board of Directors of an entity that does business with MFM Group or competes with MFM Group's business;
- provide consulting services to someone that does or seeks to do business with MFM Group;
- are offered gifts or service of significant value, or sexual favours, or entertainment or recreational trips from one of the MFM Group's competitors, vendors or customers;
- take for yourself a business opportunity which you learned about through your work at MFM Group;
- work for a government department or agency having regulatory power over, or otherwise providing services to MFM Group; and
- any other interest, activity or relationship that competes with MFM Group's interest, or otherwise interferes with your performance of service or impede undivided loyalty to MFM Group.

Not all interests, activities or relationships described above constitute actual conflict of interest. For example, there is no conflict interest if a family member of yours works for a Company's vendor but has no capacity to influence any business dealing with the Company. **However, you still need to disclose the interest so we can examine the situation to determine whether conflict of interest exists and/or any remedial measures are necessary.**

Any relevant interest, activity or relationship of your family must also be disclosed even if you are not directly involved. A family member is defined as your **spouse or domestic partner, parents, grandparents, siblings, children, step parents, step siblings, step children, and in-laws.**

If you, or one or more of your family members **DO HAVE** interests, activities or relationships that falls within one of the categories of Conflict of Interest described above, please describe it on the following page:

| Please describe the interest, activity or relationship that might constitute Conflict of Interest: | |
|---|---|
| Name: | |
| Title: | |
| Department/Division: | |
| Date of Disclosure: | |
| Private Interest Disclosed (e.g., outside employment or position, family member employment or position, financial interest in MFM Group's business partner or customer, etc.) | |
| Name of the Entity Involved, If Any | |
| Name of the Public Official Involved, If Any | |
| Name of Other MFM Group Employees Involved, If Any | |
| Reason for the Belief that Conflict of Interest Might Exist | |
| Date When the Conflict of Interest Started | |
| Signature | Name: Date: |
| Reviewed by | |
| Signature | [] Conflict of Interest Exists |
| Name: Date: | [] Conflict of Interest Does Not Exist |
| Remediation Where Appropriate | |