

MALAYAN FLOUR MILLS GROUP



CODE OF CONDUCT

**Human Resources
2013**

FOREWORD BY THE CHAIRMAN

Dear Fellow Colleagues,

Since our inception in 1996, the Malayan Flour Mills (MFM) Group has reinvented itself in line with our core values to be quality driven, to be united as a strong team and be progressive through continuous improvement. We have seen the Group transforming from a family run enterprise to a professional regional conglomerate.

As we move forward with our 2nd phase of transformation, we aspire to instill the highest standards of professional and ethical conduct from all our employees. It is by conducting ourselves with integrity that helps us earn the trust and respect of the people we serve.

The Code of Conduct is a key element of our governance, risk management and compliance efforts. This Code is meant to remind all employees their obligations and commitment towards the Group in demonstrating the expected behavior in their day to day dealings. We are counting on you to uphold our reputation and high standards by living the Code of Conduct to help achieve the highest possible standards across our businesses within the Group.

Together, let's make it happen. Thank you.

With best regards,

Tan Sri Dato' Seri Utama Arshad bin Ayub
Chairman

15 January 2013

OBJECTIVE

The Malayan Flour Mills' (MFM) Code of Conduct sets out the ethical standards to all employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment.

COVERAGE

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

COMPLIANCE

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

CODE OF CONDUCT

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

Every 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 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 the Group at all times. They are to behave and dressed professionally, and adhere to all policies, procedures, rules and regulations of the Group, whether expressed or implied, and consciously strive to deliver the Key Result Areas assigned by the Management to achieve the 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 the 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 the Company and society.

3. Avoiding Conflict of Interest

All 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 employee take actions or have 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 employee, or members of their family, received improper personal benefits as a result of the employee's position in the Company.

Examples of conflicts of interest include 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 Managing Director.
- 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 Managing Director.

4. Preventing Bribery and Corruption

Employees will not under any circumstances utilize bribery and corruption in conducting the Company'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 Company.

An 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.

Employees are prohibited to accept personal gifts/hampers during festival seasons or any celebrations. Any gifts received for such occasions must be declared to their Heads of Department (HODs) and Head of HR. The gifts will be distributed to all employees at the discretion of the Management. Employees are strictly forbidden to accept cash or cash vouchers of any amount.

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

5. Practicing Confidentiality and Data Protection

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

Unauthorized use or distribution of confidential or proprietary information or data violates Company policy and could be illegal. Such use or distribution could result in negative consequences of both the Company 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 organization.

Any employee who receives a subpoena or other requests seeking disclosure of Company information is to contact the MFM's Secretarial Department 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 authorized personnel by the Managing Director or the Board of Directors 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 Managing Director if he or she wishes to participate.

Employees must also adhere to the Company's guidelines on e-mail and social media etiquette when communicating with internal or external parties.

7. Protecting Company Assets and Resources

All employees should endeavor 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.

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, color, 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 employees are required to comply with the Company's policy on equal opportunity, non-discrimination, and harassment.

9. Ensuring Safety and The Environment

All employees should carry out our business in an environmentally responsible manner and to promote a safe workplace for all our people. We should economize the use of non-renewable energy/raw materials, minimize 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 employees are prohibited to use non-public information about MFM or other companies learnt through their employment to influence our, or anyone else's, decision to purchase or sell securities. Confidential information should be protected from improper disclosure, and any authorized communication of confidential nature should be limited to individuals who have a "need to know" basis.

CONCLUSION

While we acknowledge that no Code of Conduct can anticipate every situation that may arise, the Company expects each 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 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 is also subject to change and review as and when it deems necessary by the Company.

FOR THE EMPLOYEE



EMPLOYEE DECLARATION

PERSONAL COMMITMENT TO THE MALAYAN FLOUR MILLS CODE OF CONDUCT

I acknowledge that: -

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

Signature : _____

Name : _____

Company : _____

Department : _____

Date : _____

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Department : _____

Date : _____

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