

# LOTUS KFM BERHAD

Registration No.: 198401007083 (119598-P)

## CODE OF CONDUCTS AND ETHICS

### A. BOARD'S RESPONSIBILITIES

The Board shall define its Code of Conduct and Ethics and carry out the following responsibilities:-

- i. Set a role model in practising the provisions in this Code;
- ii. Commit and ensure the implementation of appropriate internal systems to support, promote and strengthen the awareness and compliance with this Code;
- iii. Ensure implementation of appropriate communication channel to receive feedbacks; and
- iv. Integrate this Code into management decision, practices and procedures.

### B. MANAGEMENT'S RESPONSIBILITIES

- Responsible to the Board for observing the principles of this Code in making operational and business decisions;
- Ensure that their actions are consistent with the spirit of this Code and promote good ethical interactions with all stakeholders of the Group;
- Ensure this Code is published in the Corporate's website;
- Make the code readily available to all staff members;
- Communicate the Code with staff members periodically to reinforce its importance and relevance;
- Conduct refresher briefing to all staff on this Code; and
- Ensure that all staff members adhere to the provisions of this Code.

### C. CONFLICTS OF INTEREST

Where an actual or potential conflict of interest arises, or may arise, the affected individual shall immediately disclose his/her interest to immediate supervisor the nature and extent of such conflict of interest. Thereafter, the individual shall not take part in deciding with respect of any transaction, contract or proposed contract or arrangement in which she/he is interested, directly or indirectly.

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When an individual has concealed or has unreasonably failed to disclose his/her conflict of interest, the Board or Management may other than disciplinary action, recover the losses from the individual.

### D. CORRUPTION

All individuals of the Group should never solicit gifts or favours in connection with their official duties. Gifts that are offered should not be accepted if this would create or give rise to the appearance of impropriety or bias that would damage the reputation of the Group.

No individuals shall use improper means or provide gift, bribes and benefits to influence other stakeholders in order to obtain and retain business or secure an unfair advantage in any business transaction.

### E. INSIDER TRADING

By nature of our work, Directors or Senior Management staff may have access to information that is price sensitive. Accordingly, no Directors, Officers and staff shall enter into any transaction in the securities of the Company while they are in possession of non-public information about that Company or recommend others to purchase the securities of the Company on the basis of insider information.

### F. MONEY LAUNDERING

Money laundering may include, but not limited to:-

- Attempts to make payment in large and unusual amount of cash;
- Payments made by or to third parties who are not parties to a contract; and
- Payments made in currencies differ from invoices.

The Group shall implement effective process to identify suspicious money laundering activities when dealing with its customers in its course of business.

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### G. ABUSE OF POWER

The Group does not tolerate abuse of power. Abuse of power is illegal or coercive use of power by imposing the will of a superior over a subordinate, through the exercising of the power conferred by the position of the superior for gaining benefits or particular objective that is usually in violation of laws, rules and regulations.