

Ref . No.

FP-007(W)



FARM PRICE HOLDINGS BERHAD
[Registration No. 202301019404 (1513326-T)]
(Incorporated in Malaysia)

CODE OF CONDUCT AND ETHICS

1. INTRODUCTION

Guidance 3.1 of the Malaysian Code on Corporate Governance (“**MCCG**”) stipulates that the Board of Directors (“**Board**”) has the responsibility to set the tone and standards of the Company through the Code of Conduct.

This Code of Conduct and Ethics (“**Code**”) stipulates the standards in which Farm Price Holdings Berhad (“**the Company**”) and its subsidiaries (“**the Group**”), its directors and employees (including senior managers, managers, executives, non-executives, workers, and employees, whether full time, part time, probationary, contract or temporary) are required to comply in discharging their duties and responsibilities and in dealing with its stakeholders, customers, fellow employees and regulators to demonstrate good judgment and honesty, loyalty and ethics in the conduct of the Group’s business at all times.

The objectives of this Code are to ensure that the Board, management and all employees of the Group to whom this Code applies, are aware and understand their obligations and responsibilities as set out in this Code.

2. COMMITMENT AND COMPLIANCE

It is the Group’s commitment to ensure compliance with relevant laws, rules, and regulations applicable to our business activities. It is the responsibility of the Group to ensure its Directors and all employees understand, observe, and comply with the laws, rules, and regulations that applicable to their specific roles and responsibilities in conducting the business activities with integrity. The Group is responsible for preventing violation of law and voicing out for any possible violations within the Group.

Compliance with the principle of this Code is an essential element in the business success. The Group through its Human Resources (“**HR**”) Department is responsible to ensure that the principles as set out in this Code are communicated, understood, and observed by all employees and Directors.

3. PURPOSE

The Code is formulated with the intention of achieving the following objectives:-

- (a) To uphold the spirit of social responsibility and accountability in line with the legislation, regulations and guidelines for administrating a company;
- (b) To articulate the high standard of honesty, integrity, ethics and law-abiding behavior within the Group;
- (c) To improve self-discipline in order to provide good quality services;
- (d) To ensure that all directors and employees are aware of their ethical obligations; and
- (e) To enhance the standard of corporate governance.

The Code provides guidance to ensure that upholding the ethical conduct in the daily work. However, separate guiding regulations may be established by the Board of the Group or other governing body of the Group when more detailed standards of conduct are deemed necessary by the Group’s Board or governing body.

4. PRINCIPLES OF THE CODE

4.1 Competition

The Group is dedicated to ethical, fair, and robust competition where all its suppliers, customers and vendors shall be treated fairly and consistently. The Group's products and services shall be offered to them at the most suitable and competitive terms to ensure the Group's products and services are delivered honestly and fairly to meet their expectations. As such, any false and misleading statements are not acceptable.

4.2 Insider Trading

Any employee of the Group who is in possession of market sensitive information is prohibited from trading in the securities of the Group if that information has not been made public. This prohibition extends to any act of disclosing the insider information to another person, including family members and friends, if the employee knows or reasonably knows that the other person would make a trade in reliance on that information, even if the employee does not derive any direct economic benefit from the trade.

4.3 Protecting Confidential Information

Information is one (1) of the important assets of the Group. All information about the financial and personal of the customers, suppliers, employees, and others which is collected and is useful to the Group or its competitors shall be treated confidential and protected. This information shall not be shared with any unauthorised persons or third party unless proper authorisation is given or legally mandated. Directors and employees of the Group must not engage in unauthorised use, disclose, copy, or distribute of this information.

Confidential information received by each Director in the course of the exercise of directorial duties shall be kept confidential and will not be disclosed or released to any person other than Board members, except as required by law or as agreed by the Board.

4.4 Conflict of Interest

Directors and employees must not place himself/herself in a situation in which he/she had or appears to have a direct or indirect interest in connection with or benefit from an improper gain or advantage outside commercial activities, where such gain or advantage adversely affects the Group's interest.

Directors and employees must not use their positions or their knowledge of the Group to engage in any relationship or activities which may impair their ability in making objective and fair decision in the course of discharging their duties. Directors and employees must not use the property or information of Group or compete with the Group for personal interest or gain which may cause conflict with the Group's interest and cause damage or losses to the Group. All actions or decisions made, and activities undertaken within the Group shall be for the best interest of the Group.

Directors should notify in writing immediately to the Board where he/she is a director and an employee should notify his/her reporting superior or division head (as the case maybe) in writing immediately upon becoming aware of a conflict, whether real or perceived, either involving himself/herself, other employees or a third party.

Employees who have doubt in issues related to conflict of interest should seek advice from the HR Department before engaging in any activities, transactions or relationships that might give rise to conflicts of interest.

4.5 Personal and Family Relationships

Whilst the Group permit employment of employee's family members and relatives, declaration of such relationship must be made prior to approval of such employment and subject to conditions as per the Group's policies. Employment of family members of employees within the same department or division, depending on the nature of job, where it may cause the rise of conflict, whether directly or indirectly, will be at the Group's sole discretion.

Declaration should also be made in the event an employee enters into a relationship with another employee during the course of employment or with a family member of that employee. The Group may, at its discretion, take the appropriate course of action, of which any decision made shall be final. Failure to adhere to such request would be deemed as a breach of the contract of employment.

Employee who is in doubt as to whether a situation breaches the relationship code of conduct should consult the HR Department or respective division head.

4.6 Gifts, Entertainment and Corporate Hospitality

As a rule of thumb, Directors and employees should not accept gifts, the use of services or entertainment or gratuities which involve cash or cash equivalents or which could be evaluated as illegal or improper exchanges given by third parties who have business dealings with the Group as this may compromise the Group's integrity or affect the Group's professional judgement in discharging their full responsibilities to the Group. This includes items such as meals and beverages, travel and accommodation, tickets to sporting and cultural events, discounts not available to the general public, etc.

However, some business situations may call for giving gifts. In such a situation, any form of gift to be given must be legal and have a legitimate business purpose and can only be authorised by the Managing Director and/or Executive Directors of the Board of the Group.

No one shall offer any gift in the form of cash or cash equivalents. Directors and employees must be sensitive to the recipient organisation's gifts policy.

Directors and employees must therefore exercise due care and judgment when offering or accepting gifts, hospitality or modest entertainment to protect the reputation of the Group against allegations of impropriety and to ensure the Anti-Bribery and Corruption Policy ("**AB&C Policy**") adopted by the Group is not breached.

4.7 Anti-Bribery and Corruption

All employees of the Group are required to adhere to the AB&C Policy which clearly sets out the Group's policies in various matters that relate to bribery and corruption. Kindly refer to the AB&C Policy of the Group for detail information.

Corruption arrangements with customers, suppliers, government officials, or other third parties are strictly prohibited. "Corruption" generally refers to obtaining or attempting to obtain, a personal benefit or business advantage through improper or illegal means.

Corrupt activities are not only a violation of this Code, but they could also potentially be a serious violation of criminal and civil anti-bribery and corruption laws with statutory penalties. Should the Group become aware of any potential or actual corrupt arrangement or agreement, the Group has the statutory obligations to report to the relevant authority(ies).

Hence, where relevant, this Code must be read in conjunction with the Group's AB&C Policy and other relevant prevailing policies and procedures. Where provisions in this Code are in conflict or inconsistent with any applicable laws or the Group's policies, the stricter provisions shall prevail. In case of uncertainty, kindly seek help and clarification before taking any action.

4.8 Whistleblowing Policy

The Group believe that the Whistleblowing Policy will facilitate and encourage disclosure of genuine and legitimate concerns about any possible violations and improprieties in matters related to financial reporting, compliances and other malpractices committed within the Group. This Code can be read in conjunction with the Group's Whistleblowing Policy.

Should any employee have information in regard to the violation or improprieties, he/she should report the matter immediately to the immediate superior, member or Chairperson of the Audit and Risk Management Committee ("**ARMC**"), senior independent director (if any) or head of a dedicated department that handles investigations of misconduct, etc. All reports or complaints of this nature shall be treated strictly confidential unless otherwise required disclosure by the law or court order.

4.9 Protection and Proper Use of Group's Assets

Directors and employees are expected to protect the assets of the Group and use all assets efficiently to advance the interests of the Group. Directors and employees shall not use property, information or opportunity arising during their course of duties for personal gain. Assets included confidential information, all office equipment, computer systems and data, and other operating plants of the company. Any use of assets must be authorised.

Directors and employees are responsible for safeguarding and appropriately using the Company's properties under their control.

4.10 Work Environment

The Company strives to be a fair employer. Negative conduct by an employee or group of employees, bullying or any other form of harassment will not be tolerated. Employees are recruited, developed and promoted without regard for race, colour, gender, language, religion, political or other opinion, caste, national or social origin, property, birthplace, union affiliation, sexual orientation, health status, age, disability or other distinguishing characteristics.

The Company is sincere in the commitment to build a work environment where openness, trust and respect are integral parts of the Company's corporate culture. Officers are expected to treat each other with respect and to value each other's differences and the diverse perspectives those differences bring.

The Company considers harassment and discrimination to be unjust and damaging to the working environment. Directors and employees are expected to obey all existing laws, policies, standards and procedures related to the work environment, and to respect fellow colleagues at the workplace.

4.11 Ensuring Workplace Health and Safety

The Company would do everything possible to ensure the safety of each employee and shall maintain and improve the workplace environment so that everyone can work in a safe and healthy surrounding.

The Company understands and strives to comply with all applicable laws and regulations related to safety and sanitation such as Occupational Safety and Health Act, 1994.

4.12 Environment, Social and Governance ("ESG") Agenda

The Company would do everything possible to ensure that the activities and the operations of the Company and the Group befit the ESG Agenda and do not harm the interest and well-being of the environment and society at large.

The Company adopts an objective and positive attitude and gives the utmost cooperation for the common good when dealing with government authorities or regulatory bodies.

The Company would do everything possible to ensure the effective use of natural resources and improve quality of life by promoting corporate social responsibilities. In addition, the Company would do everything possible to be more proactive to the needs of the community and to assist in society related programmes in line with the aspirations of the concept of 'caring society'.

4.13 Financial Integrity

Directors and employees must strictly comply with all policies that are in force from time to time on matters pertaining to the Group's finances.

Directors and employees are prohibited from:-

- (a) Concealing, altering, destroying or modifying our financial records or documents;
- (b) Intentionally making false or misleading notes in the records, reports, files or claims; and
- (c) Engaging in any scheme to defraud money, property and services.

5. FAILURE TO COMPLY

It is the responsibility of Directors and employees to ensure full compliance with all the provisions in this Code and to seek guidance where necessary from the respective division head or from the HR Department. Directors must immediately report any concern about possible/actual breaches of the Code by any Director to the Chairperson (or the Senior Independent Director, where applicable) and strictly observe the relevant internal document.

In the event of any breaches of this Code by any Director, the Board shall determine appropriate actions to be taken after considering all relevant information and circumstances.

When in doubt, Directors and employees should always be guided by the basic principles stated herein. Failure to comply with this Code may result in disciplinary action, including the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.

6. GOVERNANCE AND CUSTODIAN OF THIS CODE

6.1 The Managing Director or any designated officer identified by the Board shall be the custodian of this Code and be responsible to propose any update to this Code for the consideration of the ARMC, in tandem with any material development/ trend in connection with integrity or ethics or good corporate conduct.

6.2 This Code has been established in line with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the MCCG. The ARMC shall oversee the governance and relevance of this Policy.

7. REVIEW OF THE CODE

This Code shall be reviewed periodically by the Company, updated and approved by its Board as and when necessary to ensure that it remains current and relevant in addressing any ethical issues that may arise within the Group.

8. PUBLICATION ON THE CORPORATE WEBSITE

In compliance with Practice 3.1 of the MCCG, a copy of this Code is published on the corporate website of the Company located at <https://www.farmprice.com.my/policies>.

9. EFFECTIVE DATE

The Code is effective on 30 June 2023.

History:-

Document No.	Version No.	Board's Approval Date	Effective Date
FP-007(W)	1.0	30 June 2023	30 June 2023

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