

## **OBJECTIVE OF THE CODE**

The Code of Business Ethics (“Code”) shall serve as a guide and reference to assist Directors and employees to live up to high ethical business standards. It provides guidance on the conduct of business and their duties, in a manner that is efficient, effective and fair.

The Code highlights key issues and identifies the relevant policies and procedures to conduct business and our duties in line with CNI’s standards. It is not a comprehensive manual and thus, advice should be sought from the Anti-Bribery Committee (“ABC”) if there are any doubts with regards to any business practices.

## **RESPONSIBILITY AND ACCOUNTABILITY**

Directors and Employees are expected to:

1. Understand and comply with the Code;
2. Ensure subordinates understand and comply with the Code;
3. Exercise proper care and judgment;
4. Act in the best interests of CNI and protect its reputation.

### **I. THE COMPANY**

#### **(A) SAFE WORK ENVIRONMENT**

- (i) Safe and conducive work environment
  - (a) It is the policy of CNI to assure that business activities are conducted with full concern for safety in order to protect the safety and health of its employees, suppliers, customers, communities in the vicinity of its operations, and the general public.
  - (b) CNI is committed to providing a safe and conducive work environment, as well as appropriate safety and health training, and requires strict adherence to safety rules and procedures.
  - (c) CNI will provide qualified safety and health personnel & appropriate equipment and resources to meet these objectives and goals.
- (ii) Employee’s obligations
  - (a) It is everyone's responsibility to promote safe behaviour, and immediately report accidents, injuries, and unsafe equipment, practices or conditions to a supervisor or other designated person. All employees must report for work free from the influence of any substance that could prevent them from conducting work activities safely and effectively. Threats or acts of violence, or physical threats on fellow employees are prohibited.
  - (b) All rules and regulations on safety matters must be adhered to. Cases of non-compliance must be reported to the HR Department for further action.
  - (c) Employees are to use common sense and best judgment to ensure safety.

(B) ASSET AND PROPERTY

(i) Employees' responsibilities

- (a) All CNI assets and property assigned to staff must be protected from loss, damage, misuse, illegal use and theft.
- (b) All CNI assets and property are meant to be used only for business purposes.
- (c) All company's assets must be returned to the respective departments when they are no longer needed for business purposes.

(ii) Company vehicles and petrol card

- (a) Authorised employees assigned to drive Company vehicles must ensure the usage is for official Company/work purposes only.
- (b) Petrol cards assigned to Company vehicles are not to be shared with other vehicles or individuals, and are meant for purchasing fuel for the designated vehicle only.

(iii) Internet access and software

- (a) Internet access is provided for business purposes, which includes any research work related to the user's field of work.
- (b) CNI reserves the right to revoke the user's internet access if he/she is found to abuse these facilities by using them for purposes outside the scope of work.
- (c) Materials from the internet that are or could be perceived as being offensive from religious, political, racial or gender perspectives are classified as objectionable material. Objectionable material also includes pornography, gambling and insensitive religious, sexist, political and racist content. Objectionable material must not be transmitted or downloaded. Such activities are considered to be a serious breach of this Code.
- (d) All users are not permitted to participate in any "chain letters", "flaming" personal attacks and other nonprofessional conduct. This includes any other activity that involves broadcasting or forwarding unnecessary and irrelevant email contents.
- (e) Only software that is developed by the organization, or is licensed or provided by the developer to the organization may be used.
- (f) All employees are forbidden from doing the following:
  - 1. Copying software from one machine to another without the owner's documented authority; and
  - 2. Copying Company proprietary software for use in computers that do not belong to the Company, or for any purpose not authorized by the Company.

(C) INFORMATION

(i) Confidential and proprietary information

- (a) Confidential and proprietary information includes:
  - 1. Any information that is not generally known to the public and is helpful to CNI or would be helpful to competitors;
  - 2. Information that suppliers and customers have entrusted to us; and
  - 3. Technical information, data, drawings, know-how and information relating to business, marketing strategies, financial condition and operations of all companies in the CNI group, in any form.
  
- (ii) Employees' obligations
  - (a) Employees shall not disclose information about the Company to unauthorized people or use the information for personal gain.
  
  - (b) Every employee is expected to exercise sound judgment in seeking clarification or proper authorization prior to disseminating confidential, proprietary or sensitive information.
  
- (iii) Information to be protected
  - (a) All confidential and proprietary information (defined above) including those concerning securities, financial condition, earnings or activities of CNI, and information that is particularly sensitive which include knowledge of acquisitions and divestiture, new products or process, audit reports and earning figures and trends must remain confidential until it is fully and properly disclosed to the public.
  
  - (b) All CNI corporate, customers and employees' information is strictly private and confidential, and must be treated as such at all times. It must not be disclosed to anybody without proper authorization. There shall be no release of such information through the internet or any other means of information dissemination without proper authorisation.
  
  - (c) CNI's policy is to recognize fully and respect the legal rights of others on matters involving the ownership, use and disclosure of intellectual property. This includes the avoidance of any act which would result in the improper use of any trademark or service mark belonging to another party. It also includes the avoidance of any act which would result in the unauthorized use or appropriation of any design, formulation or product that is covered by valid patent belonging to another party.
  
  - (d) The obligation to preserve confidential and proprietary information continues even after your employment ends.
  
- (iv) Recording and storing of information
  - (a) All books, records and accounts are to be kept in a complete and accurate manner.
    - 1. Employee expense account reimbursements are to be only for proper and authorized business expenditure accurately described in such accounts.
    - 2. No customers or suppliers are to be "over-invoiced" to create funds for any unlawful or improper use.
    - 3. Discounts and rebates to customers must reflect true commercial transactions and should not be intended to serve any illegal or improper purpose.

4. Fees and commissions to consultants, agents and other third parties must be legal, proper and reasonable in relation to customary commercial practice.

(b) Storage media containing confidential data or licensed or copyrights software, must not be taken off-site by employees and contractors, without consent and authorization from the owner or the employee's immediate supervisor.

(D) TIME

(i) Punctuality

(a) Employees must be punctual in regards to working hours, attending meetings, conferences, training and appointments; both in-house as well as with external customers.

(b) Employees must be at their assigned workstation, ready to work at the beginning of their daily working hours. They are also expected to remain at work until the end of their assigned work hours, except for approved breaks and outside appointments.

(ii) Absence with permission

(a) An employee needs to obtain prior approval from his/her immediate supervisor if he/she has to leave the workplace to attend to urgent personal matters outside the Company during work hours.

## II. OUR CUSTOMERS

### (A) INTERNAL CUSTOMERS

(i) Relationship with colleagues

(a) CNI believes that the internal customer is as important as external customers. As such, employees shall conduct themselves in a professional manner and in the best interest of the Company, and demonstrate the highest regard for one another, and shall treat each other with respect, avoiding any language or behaviour that intimidates or offends others in any dealings with them.

(b) Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial, cultural, religious, sexual or ethnic characteristics, and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

(ii) Employees' responsibilities

(a) Employees shall be responsible for fostering an atmosphere that promotes good relations between one another.

(b) Managers are to direct and manage their subordinates in the most effective and efficient manner, and make fair decisions without discrimination based on guidelines and policies provided by the Company. Discrimination against any individual or group because of race, religion, gender or disability is unacceptable and not allowed. Employees shall not use their position, or other advantage they may have, such as seniority or physical size, to harass or intimidate others.

(B) EXTERNAL CUSTOMERS

- (i) Integrity and professionalism
  - (a) CNI builds long-term relationships with its CBOs and customers by demonstrating honesty and integrity.
  - (b) All marketing and advertising shall be accurate and truthful. Deliberately misleading messages or omissions of important facts are prohibited.
  - (c) To maintain CNI's valuable reputation, compliance with its quality processes and safety requirements is essential. CNI strives to provide the best products and services that meet customers' and CNI Business Owners' ("CBOs") expectations.
- (i) Relationship with customers
  - (a) Customers' information is to be kept and maintained securely and with the highest confidentiality.
  - (b) To maintain customers' self-esteem by employing the highest business standards when interacting with them face-to-face, through correspondences, and over the telephone.

**III. OUR VENDORS, SUPPLIERS/CONTRACTORS**

(A) DOING BUSINESS WITH OTHERS

- (i) Legal & ethical business deals
  - (a) Business decisions and actions must be based on the best interests of CNI, and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, competitors or regulators must not affect independent and sound judgment.
  - (b) CNI's employees (either permanent or on contract) who are employed on a full-time basis are not allowed to work for, or receive payment for services from any competitors, customers, distributors or suppliers of CNI, without the prior written approval of management.
  - (c) Bribes, gifts, facilitation payments and kickbacks are strictly prohibited.
- (ii) Conflicts of Interest
  - (a) In general, a conflict of interest is a situation in which a person is in a position to derive personal benefits, either directly or indirectly, from actions or decisions made in their official capacity.
  - (b) Directors and employees are expected to act in the best interests of CNI. Where there is a potential conflict of interest, the Director or employee should disqualify him/herself from participating in the decision-making process. Any conflict of interest situation must be declared.

(B) GIVING AND RECEIVING GIFTS

(i) Guiding principles

- (a) All Directors and employees are prohibited from directly or indirectly, receiving or providing any gifts, kickbacks or guarantees, in any form, that may compromise their judgment and decision making.
- (b) Providing gifts, loans or other benefits to a customer (or customer's representative) or potential customer, to get sales or beneficial arrangements from the customer are also not allowed.

(ii) Employees' obligations

- (a) In principle, employees should not accept gifts from vendors, suppliers, contractors, customers, and other third parties, that may influence, or be perceived to be able to influence decision-making. Decision-making should be objective, based purely on merit, and should benefit the Company. Decision-making should never be based on personal interest.

(C) PURCHASING AND PROCUREMENT PRACTICE

(i) CNI's best interest

- (a) Purchasing decisions must be made based solely on CNI's best interest with proper documentation, and clearly identifying the services or products to be provided, the basis for earning payment, and the applicable rate or fee. The amount of payment must be commensurate with the services or products provided.
- (b) All staff involved in procurement must comply with sound procurement practices as follows:
  - 1. All vendors are treated equally and all are accorded the same information at the same time;
  - 2. Ensuring that no information leaks during the procurement process;
  - 3. No conflict of interest through relationships, to ensure no favouritism amongst vendors. In situations where there is evidence or suspicion of improper behaviour during or after the procurement process, it must be reported to the ABC;
  - 4. Transparency, which ensures that the procurement process is auditable and justifiable, and can stand up to scrutiny;
  - 5. More than one staff is involved, to ensure proper checks and balances; and
  - 6. Getting the best deal for the Company.

(ii) Commitments on behalf of the Company

- (a) Any monetary commitment and orders entered into on behalf of the Company must be done in accordance with the Departmental Approval Limit.
- (b) No employee is permitted to break down the total value of commitment i.e. purchase or contract, into smaller values in order to avoid approval by higher approving authority.

- (iii) Commitments by resignees and consultants
  - (a) An employee who has given his/her notice to resign and is serving his/her notice period is not allowed to make any commitment on behalf of the Company.
  - (b) No consultant (i.e. a person who is not a full-time employee of CNI) is permitted to make or approve any commitment on behalf of the Company.

#### **IV. OTHER EXTERNAL PARTIES**

##### **(A) SAFEGUARDING OUR REPUTATION**

- (i) Establishing business relationships
  - (a) The Company will not conduct business with parties who are likely to harm CNI's reputation.
  - (b) The Company will also avoid conducting business with parties who intentionally and continually violate the law. All arrangements with third parties must conform and comply with CNI policies and the law.
  - (c) The Company will not use a third party to perform any act prohibited by law or CNI's Code of Business Ethics.
- (ii) Maintaining ethical practices

##### **(B) GOVERNMENT AGENCIES**

- (i) Dealings with government official and contracts
  - (a) Directors and employees are expected to co-operate with reasonable requests for information from government agencies and regulators, and to consult with relevant CNI management before responding to any non-routine requests. All information provided must be correct and accurate. Documents or records must not be altered or destroyed in response to an investigation or other lawful request.

##### **(C) COMPETITORS**

- (i) Maintaining ethical practices in a competitive environment
  - (a) CNI products and services shall be sold fairly and honestly.
  - (b) Any illegal or unethical methods used to gain a competitive advantage (including obtaining information about competitors) must never be used.

##### **(D) MEDIA**

- (i) Third parties' queries
  - (a) To ensure professional and consistent responses, requests or inquiry from the media should be forwarded to the Digital Marketing Communication Department.

- (b) Requests from financial analysts and shareholders should also be referred to the Legal & Regulatory Department.
- (E) POLITICAL PARTIES, NON-GOVERNMENTAL ORGANIZATIONS (NGOs) AND NON-PROFIT ORGANIZATIONS (NPOs)
- (i) Contribution to political parties'
    - (a) No CNI employee may propose that the company make a political contribution without prior determination that such a contribution is lawful, and no such proposal may be acted without the express approval or concurrence of the Board of Directors.
    - (b) No political contributions utilizing CNI funds or other resources are permitted to be made, directly or indirectly, to any political candidate or any political party except where such contributions are permitted by law and express permission has been given by the Board of Directors.
  - (ii) Contribution to NGOs and NPOs
    - (a) Any contributions to be made on behalf of CNI to NGOs and NPOs must have prior written approval from the CEO, irrespective of the nature and amount.
    - (b) Personal involvement in such organizations has to be done at the employees' own expenses and time. Employees are prohibited to be involved in such organizations' activities during work hours.

## V. BREACH OF CODE

- (a) All established rules and practices in this Code of Business Ethics must be followed. CNI will hold all Directors and employees accountable in ensuring observation of the highest ethical business standards and to apply these values in all aspects.
- (b) A breach of the Code will be construed as misconduct and may be subjected to disciplinary action.

### Obligations of a CNI Employee

CNI employees are obligated to comply with all applicable laws and regulations. Any alleged improper conduct and practices and compliance concerns may be disclosed using the channels set out in the Whistleblowing Policy without fear of retaliation.

### Questions on the Code

If employees have any questions about the CNI Code of Business Ethics, the first point of contact should be their immediate supervisor or manager. The immediate supervisor or manager will be able to engage in discussions with the employee about the Code, and advise the employee accordingly. Alternatively, employees may seek the advice of the HR Department when in doubt.

CNI HOLDINGS BERHAD  
CODE OF BUSINESS ETHICS

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Appendix A: Declaration by Director

**DECLARATION BY DIRECTOR**

I .....,  
NRIC No. ...., hereby confirm that I have read the CNI Code of Business Ethics and agree to observe and adhere to it. I shall conduct myself with complete integrity and be true to the spirit of the Code of Business Ethics in the daily execution of my duties and assignments as a member of the Board of Directors of CNI.

I acknowledge that failure to abide by this Code of Business Ethics will lead to appropriate action being taken against me.

.....  
(Signature)  
Name:  
Date:

*Note: Kindly read the Code of Business Ethics which is available on the Company's server. Please ensure that all details are properly filled-in before submitting this form to the Human Resources Department within one (1) week of commencement date.*

CNI HOLDINGS BERHAD  
CODE OF BUSINESS ETHICS

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Appendix B: Declaration by Employee

**DECLARATION BY EMPLOYEE**

I .....,  
NRIC No. ...., hereby confirm that I have read the Code of Business Ethics  
and agree to observe and adhere to it. I will act in accordance with the Code of Business Ethics in the  
course of my daily duties and responsibilities as an employee of CNI.

I acknowledge that failure to comply with the Code of Business Ethics will lead to disciplinary action  
taken against me.

.....  
(Signature)  
Name:  
Date:

*Note: Kindly read the Code of Business Ethics which is available on the Company's server. Please  
ensure that all details are properly filled-in before submitting this form to the Human Resources  
Department within one (1) week of commencement date.*