

Updated on 27 March 2018



MILUX CORPORATION BERHAD
(Company No. 313619-W)
(Incorporated in Malaysia)

CODE OF ETHICS AND CONDUCT

(A) INTRODUCTION**(I) What is a Code of Ethics and Conduct?**

This Code of Ethics and Conduct ("the Code") sets forth the values, expectations and standards of business ethics and conduct to guide the Board, the Management and employees of Milux Corporation Berhad ("Milux" or the Company") and its subsidiaries ("Milux Group"). The Code is adopted to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of Milux Group.

The Code is not intended to be all encompassing nor exhaustive, and there may be other obligations or expectations of Directors and employees when performing their duties. Although this Code is not meant to address every issue, it defines the spirit in which Milux intends to do business and should guide the Board and/or the employees of Milux in their daily conduct.

(II) Who shall adhere to the Code?

The Code governs all of Milux's business decision and therefore, it is applicable to the following:-

- Board of Directors of Milux Group; and
- All employees of Milux Group.

(III) Milux's Commitment

Milux is committed to provide top quality and innovative products which are in line with the Company's philosophies of delivering products with "**Quality, Safety and Reliability**".

(B) GUIDING PRINCIPLES

The Code provides guidance to ensure that upholding the ethical conduct in the Board and/or employees daily work. However, separate guiding regulations may be established by the Board of Directors or other governing body of each Milux Group of companies when more detailed standards of conduct are deemed necessary by such Board of Directors or governing body.

The guiding principles of the Code are as follow:-

- (i) Show respect in the workplace
- (ii) Act with integrity in the marketplace
- (iii) Ensure ethics in business relationships
- (iv) Ensure effective communication

(I) SHOW RESPECT IN THE WORKPLACE**(1) Equal Opportunity**

Milux shall not discriminate or treat employees or job applicants unfairly in matters that involve the recruitment, hiring, training, promotion, compensation or any other term or condition of employment.

Milux's employment decisions regarding employees and job applicants will always be based on merit, qualifications and job-related performance, without regard to non-job-related characteristics such as:

- Race, colour, ethnicity or national origin;
- Gender or gender identity;
- Sexual orientation;
- Age;
- Religion;
- Disability;
- Veteran status; and/or
- Any other legally protected status.

Milux will not tolerate unlawful discrimination in relation to employment.

(2) Anti-Harassment

Milux is committed to provide a harassment-free environment. "Harassment" is behaviour that creates an offensive, intimidating, humiliating or hostile work environment that unreasonably interferes with another person's work performance. Harassment may be physical or verbal, and may be done in person or by other means (such as harassing notes or emails). Examples of harassing behaviour include unwelcome sexual advances or remarks, offensive jokes and disparaging comments.

(3) Human Rights

Milux recognises the importance of maintaining and promoting fundamental human rights in all of its operations. The Company is committed to adhere and respect the following good practices:-

- Provide fair and equitable wages, benefits and other conditions of employment in accordance with applicable laws and regulations;
- Provide humane and safe working conditions;
- Prohibit forced or child labour; and
- Promote a workplace free of discrimination and harassment.

(4) Ensuring Workplace Health and Safety

Milux 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 surroundings.

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.

The Company shall strive to create a secure and conducive work environment that allows employees to balance their personal lives and work.

(5) Protection of Privacy

Every officer and employee is expected to respect each other's privacy.

Every officer and employee is expected not to disclose personal information obtained in the workplace or business operations to others without the consent of the individual, unless required by law.

(6) Use of Company's Assets with Due Care

Every officer and employee should not improperly use or waste any assets belonging to the Group.

Every officer and employee shall endeavour to protect the Company's assets under his/her care and should not use such assets for his personal gain or the benefit of others.

(7) Leading by Example

Directors, managers and supervisors, have the added responsibility for demonstrating, through their actions, the importance of the Code. Ethical behavior is the product of clear and direct communication of behavioral expectations, modelled from the top and demonstrated by example. Directors, managers and supervisors are responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues.

(8) Continuous Training and Development

Milux believes that employees' skills and development are vital to the success of the Group. As such the Group strives to motivate and retain the best employees by providing continuous training by sending them to attend relevant courses to upgrade their knowledge and skills within their job scope.

(II) ACT WITH INTEGRITY IN MARKETPLACE

(1) Ensuring Products' Quality, Safety and Reliability

Milux is committed to producing high quality products which are safe and reliable for long term usage. Milux strives to maintain customers' trust by providing superior products, starting with the purchase of quality raw materials or ingredients and continuing until the finished product reaches the customers' hands. Milux always develop products in an ethical and responsible manner, and follow applicable ethical standards and guidelines relating to research.

(2) Responsible Sales and Marketing Practices

Milux is expected to compete vigorously and effectively, but never unlawfully. For this reason, Milux is truthful in all of our sales and marketing activities.

The Company shall not:

- Overstate or misrepresent the qualities of its products;
- Use misleading or untruthful statements in its products or labels; and
- Make claims about its products, product ingredients, or health effects without adequate substantiation and proper legal clearance.

Milux will ensure that its marketing programmes and activities conform to applicable laws and regulations.

Whilst making comparisons between competitors' products and services and the Company's products and services, Milux will always be mindful not to discredit other companies.

(3) Milux's Customers

When dealing with its customers, the Company shall always:

- Earn business on the basis of the Company's superior products, customer service and competitive price;
- Present its services and products in an honest and forthright manner;
- Avoid unfair or deceptive trade practices;
- Communicate its sales programmes clearly; and
- Deliver its promises.

All Milux's contracts with customers will reflect the importance and value that the Company place on its businesses. All customer sales and trade agreements will be in writing and conform to the Company's Standard Operating Procedures and Practices ("SOPP").

If a problem occurs with the quality of a product or service that the Company provide to customers, Milux endeavour to provide accurate information relating to the product or service and to respond promptly in order to limit the extent of the damage or inconvenience to the customer. Furthermore, Milux strive to take all possible measures to determine the cause of the problem and prevent its recurrence. To that end, a dedicated section has been established at the Company's Corporate Website at <http://www.milux.com.my/customer-service/> to cater to all product and warranty enquiries.

(4) Milux's Suppliers

Milux holds its suppliers to the same standards of integrity to which the Company hold itself.

An unethical or illegal act of a supplier may hurt Milux Group's reputation as one of the leading distributor of household gas, kitchen and electrical appliances and may cause a loss of goodwill in the communities that the Company serves.

Therefore, all suppliers must comply with the highest requested standard set by the Company as a condition of doing business with the Company/Group. The Company/Group's suppliers include any third-party vendor, consultant, contractor, service provider or supplier of raw materials, ingredients or components relating to household appliances.

The Company's decision on the selection of a supplier is based on merit, quality of service and reputation.

(5) Community Involvement

The Company encourages its officers and employees to participate actively in community welfare, health care, education, arts and other cultural activities as well as other philanthropic activities as a good corporate citizen.

The Company also engages in meaningful and appropriate donations and support activities as social contributions to respond to social issues and community needs relating to the Group's Philosophy.

The Board of Milux acknowledges the significance of Corporate Social Responsibility ("CSR") and views it as an integral part of the organisation's way of succeeding in business and contributing to the welfare of employees in particular and society at large and also to all communities in the environment it operates.

(6) Environmental-Friendly Practices

In acknowledging its care for the environment, Milux considers safety and environmental factors in all its operating decisions and explores feasible opportunities to minimise any adverse impact from its operations, waste disposals and product quality, design and packaging.

(III) ENSURE ETHICS IN BUSINESS RELATIONSHIPS

(1) Conflict of Interest

Milux endeavour to avoid a conflict, or an appearance of a conflict, between personal interests and the Group's interests.

Milux shall manage and mitigate all conflicts or perceived conflicts of interest and where it is not possible to avoid a conflict of interest, appropriate disclosures shall be made accordingly.

(a) Recurrent Related Party Transactions (“RRPTs”)

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Audit and Risk Committee of Milux has established the review procedures to monitor, track, and identify RRPTs in a timely and orderly manner and to ensure that such RRPTs be carried out on normal commercial terms which are not more favourable to the related party than those generally available to the public.

(b) No Solicitations

The Company shall not solicit or accept any economic benefit from any third party in the course of its work. Milux shall not render any assistance to any third party in its dealings with the Group where this would result in undue preferential treatment to the third party.

(c) Personal Gifts

Milux shall not accept compensation or money of any amount from entities with whom Milux does or may do business. Milux may accept unsolicited gifts other than money that conform to the reasonable ethical practices of the marketplace, including meal or entertainment for normal business courtesies, token gifts which are occasional, gifts during festive or special events or social functions attended by the Board/officers/employees for and on behalf of the Group.

(d) Offering of Business Courtesies

In line with the customary practices, Milux may provide non-monetary gifts (i.e. company logo souvenirs or similar promotional items) to its customers and others that conform to the reasonable ethical practices of the marketplace, including meal or entertainment for normal business courtesies, token gifts which are occasional, gifts during festive or special events or social functions.

(e) Additional directorships/employment/business obligations

- For the Board, the Directors should devote sufficient time to carry out their responsibilities. The Board should obtain this commitment from its members at the time of appointment. Directors should notify the Chairman of the Board/ the Board of Directors vide the Company Secretaries before accepting any new directorships. The notification should include an indication of time that will be spent on the new appointment.
- For the officers/employees, it should be highlighted that having additional outside employment may negatively affects his/her job performance and/or interferes with his/her responsibilities in the Milux Group.

(2) Anti-Corruption

Corrupt 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 the Code; they could potentially be a serious violation of criminal and civil anti-bribery and anti-corruption laws with statutory penalties. Should Milux becomes aware of any potential or actual corrupt arrangement or agreement, the Company have to the statutory obligations to report to the relevant authority(ies).

(3) Anti-Money Laundering

"Money laundering" is the process by which persons or groups try to conceal the proceeds of illegal activities or try to make the sources of their illegal funds look legitimate.

Milux shall to the best of its ability and knowledge conduct business with reputable customers with legitimate funds, for legitimate business purposes.

(4) Insider Trading

In the course of performing his/her job, the Board/officers/employees of Milux may learn of certain confidential information that qualifies as "material non-public and price sensitive information" about the Milux Group, its customers, suppliers or business partners or another third party.

"Material non-public and price sensitive information" means any non-public and price sensitive information that could potentially influence the investment decisions of investors. It includes, but is not limited to, the following:

- Financial information such as sales and profits;
- Information concerning dividends;
- Information concerning alliances with other companies, including mergers and acquisitions;
- Information concerning changes in major suppliers; and
- Information concerning new products or new technologies.

The Board/officers/employees shall not disclose material non-public and price sensitive information to anyone outside of Milux Group, including family members and friends.

The Board/officers/employees shall not deal in securities of the Group nor influence any third party in dealing with the securities while he/she have material non-public and price sensitive information about the Group.

In addition, the Board/officers/employees are not permitted to engage in activities that are designed to hedge or offset any decrease in the market value of the Group's securities.

(IV) ENSURE EFFECTIVE COMMUNICATION

(1) Corporate Disclosure

Material information from the Company shall be fairly accessible to the general public and the Company applies non-discrimination policy to receivers of the material information. Selective disclosure is prohibited.

The Company may withhold or delay disclosure of certain material information of which, if released, would undermine the interests of the Company or interests of shareholders in general. In such case, the Company shall ensure that confidentiality is maintained at all times to minimise leakage of information.

If confidentiality of information is lost or cannot be maintained, the Company shall immediately announce the information to Bursa Malaysia Securities Berhad.

In general, the Directors/officers/employees of Milux should not respond to any rumour, unless the rumour brings undesirable impact to the interests of the Company or shareholders in general or it is required by relevant authority.

As a guiding practice for Corporate Disclosure, the Company has established a Corporate Disclosure Policy to develop and maintain an established framework for making corporate disclosure.

(2) Spokesman

Only the Group Managing Director, the Executive Directors or in their absence, the Chief Financial Officer are the authorised spokesman of the Company. Other persons may be a temporary spokesman of the Company if so authorised by the Board of Directors.

The spokesman shall ensure that no material information is released to selective parties.

Only the spokesman or other authorised person of the Company is allowed to address the public, approve announcement, make press release, clarify rumours and authorise the publication of contents on the Company's website on behalf of the Company.

(3) Whistle Blowing

Whistle blowing is a specific means by which an employee/officer or stakeholder can report or disclose through established channels, concerns about any violations of the Code, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future.

Only genuine concerns should be reported. Such report should be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and the report is not made for personal gain. Malicious and false allegations by the whistle blower will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal or termination of the whistle blower.

In the event of any violation of the Code, the Board shall determine appropriate action to be taken after considering all relevant information, including but not limited to, the nature of the violation and its severity, and whether the violation appears to have been committed intentionally or inadvertently. Such action to be taken shall reasonably be designed to deter wrongdoings and to promote accountability for adherence to the Code.

Milux is committed to:

- encourage employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation;
- encourage employees to report violations of laws, rules, regulations, the Company's policies or the Code to appropriate personnel;
- investigate into cases reported and take appropriate actions after conclusion of investigations;
- keep identity of the whistle blower in strictest confidentiality; and
- indemnify the whistle blower.

(C) WAIVER

In exceptional circumstances, a waiver of observing this Code of Ethics and Conduct could be recommended by the Management and approved by the Board of Directors.

(D) REVIEW OF THE CODE

The Code will be reviewed biennially or as and when it is required to ensure the information remains relevant and appropriate.

History of the Code

Date	Description
25 February 2014	Establishment of the Code of Ethics and Conduct
23 May 2017	Reviewed and Updated the Code of Ethics and Conduct
27 March 2018	Reviewed and Updated the Code of Ethics and Conduct