

KIP REIT MANAGEMENT SDN BHD
(Company No. 1169638-M)
(Incorporated in Malaysia)

DIRECTORS' CODE OF CONDUCT

DIRECTORS' CODE OF CONDUCT

1.0 INTRODUCTION

KIP REIT Management Sdn Bhd ("the Company") has adopted this Code of Conduct ("Code") for Directors to reflect the underlying core ethical values and commitment to lay standards of integrity, transparency, fairness, responsibility, excellence, commitment, dedication, diligence and professionalism contributing towards the social and environmental growth of the surroundings in which it operates.

Directors are obliged to comply with and uphold the provisions of the Code in carrying out their day-to-day functions.

2.0 PURPOSE

This Code is formulated to enhance the standards of corporate governance and corporate behaviour with the intention of achieving the following objectives:

- To encourage high standards of honesty, integrity, ethical and law-abiding behaviour expected of Directors;
- To encourage the observance of those standards to protect and promote the interests of unitholders and other stakeholders; and
- To provide guidance to the Board to maintain the confidence of unitholder, shareholders and other stakeholders in the Company's integrity.

3.0 KEY REQUIREMENTS

The Directors shall act within the authority conferred upon them in the best interests of the Company and shall -

- act with utmost good faith towards the Company in any transaction and to act honestly, ethically, with integrity, transparently and responsibly in the exercise of their power in discharging their duties ;
- act in the best interest of, and in fulfilling their fiduciary obligations to the Company and its unitholders and other stakeholders;
- act with due care and diligence, without allowing their independent judgment to be subordinated;
- conduct professionally, courteously and respectfully in manner and not take improper advantage of their position;
- use their prudent judgment to prevent from all situations, decisions which give or may give rise to conflict of interest or potential conflict with their responsibilities within the Company, and to inform the Board, at the earliest opportunity, of any existing or potential conflict of interest situation;
- not to exploit the use of corporate property, information or position for their own personal gain, unless otherwise proven that the Company is not interested to pursue such opportunity;
- be conscious of the interest of unitholders, other stakeholders, employees, creditors and customers of the Company;
- ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large;
- maintain and enhance the Company's reputation; and
- strive to contribute towards the growth and stability of the Company.

4.0 DIRECTORSHIPS

Directors must at all times comply with the restriction on the number of directorships as prescribed under the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). In addition, a Director should disclose the changes of his/her directorships to the Board by informing the Chairman of the Nomination Committee prior to accepting other directorships in any other public listed company and subsequently, of any change of his/her directorships.

Unless prior notice has been given to the Board through the Chairman of the Nomination Committee, a Director shall not serve as director of any other listed company or as partner of a firm that is engaged in a competing business with the Company and shall not hold any positions or jobs that are prejudicial to the interests of the Company.

5.0 AVOID CONFLICTS OF INTEREST

The Directors are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company’s business interests. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company of the KIP REIT.

The Director shall avoid any situation in which the Director has an interest in any entity or matter that may influence the Director’s judgment in the discharge of responsibilities. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment on behalf of the Company. In addition, Directors must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (directly or indirectly).

When in doubt, Directors should adopt the highest standard of conduct and to consult Chairman prior to making any decision.

6.0 GIFTS AND BUSINESS COURTESIES

The distinction between corruption and gifts and business courtesies can be difficult to draw and due care must therefore be exercised. The Directors shall not offer or accept expensive or extravagant gifts or business courtesies to or from any firms or individuals doing or seeking to do business with the Company nor to offer or accept any cash or cash equivalents as gifts. The Directors shall always exercise caution in relation to offering or accepting gifts and business courtesies. The Directors shall not accept gifts or other remuneration if there is reason to believe that its purpose is to improperly influence business decisions.

7.0 ANTI-BRIBERY

Directors are prohibited to or prohibited to attempt to offer, give, ask for, accept or receive any form of bribe. A bribe occurs when someone attempts to influence a decision by offering some form of undue or improper advantage, incentive or favour.

8.0 MONEY LAUNDERING

Criminal activity is harmful to society. Money laundering in this context means to convert proceeds from criminal activities into assets which appear to be derived from legitimate sources. The Company shall only conduct business with partners involved in legitimate business activities with funds derived from legitimate sources. The Directors shall take reasonable steps to prevent and detect any illegal form of payments, and prevent any financial transactions from being used by others to launder money.

9.0 INSIDER TRADING

The Directors shall comply with all applicable laws relating to dealings with the securities of the Company and prohibited to trade in the Company’s securities affected by or on behalf of a person with knowledge of relevant but non-public material information regarding the KIP REIT. Directors who commit insider trading, may be subjected to the relevant criminal and civil actions under Malaysian Law which includes Capital Markets and Services Act 2007.

10.0 CONFIDENTIAL INFORMATION

Any information concerning the Company’s business, its customers, suppliers, etc. to which the Directors have access or which is possessed by the Directors, must be considered privileged and confidential, and should be kept strictly confidential at all times. A Director shall uphold the strict confidentiality of all meetings and other deliberations and communications of the Board. Unless authorised by the Board or required by law or regulatory body, Directors must not disclose to a third party on any information or make any forward looking statements which are price sensitive in nature.

11.0 LAW COMPLIANCE OBLIGATIONS

It is the general obligation of the Directors to conduct the business and operations of the Company in accordance with the laws, rules, regulations, agreements, guidelines, standards including accounting standards governing its operations in the geographies the Company operates. The Directors shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to perform their obligations diligently. The Directors shall also comply with the internal policies and procedures of the Company to the extent applicable to them.

Directors should promptly communicate any suspected violation of law to the Board Chairman. Suspected violations shall be investigated by persons designated by the Board. Appropriate action shall be taken in the event that a violation is confirmed.

12.0 PROTECTION OF ASSETS

All Directors are expected to exercise their business judgement in a manner that protects the assets of the Company and promote their efficient use. All assets of the Company are to be used for legitimate business purposes. Any suspected incident of fraud, mismanagement of the assets of the Company or theft should be immediately reported for investigation to the Board Chairman and/or Audit and Risk Management Committee (“ARMC”) Chairman.

13.0 REPORTING VIOLATIONS

Directors should promptly communicate any suspected violations of the Code, including any violations of laws, rules and regulations, to the Board Chairman. Suspected violations shall be investigated by the Board, the ARMC or persons designated by the Board or the ARMC. Appropriate action shall be taken on the merit of each case.

14.0 CONSEQUENCES OF NON-COMPLIANCE WITH THE CODE

In case of breach of the Code by the Directors, the Board shall take the necessary action to ratify on the non-compliance by Directors.

15.0 AMENDMENTS TO THE CODE

This Code shall be reviewed by the Board from time to time to ensure that it is in line with any changes in law, best practices are incorporated and changes in the Company’s vision, philosophy and business plan. Directors shall be informed of any amendments made to the Code.

This Code was approved by the Board of Directors on 31 July 2017.