

# FGV GROUP'S CODE OF BUSINESS PRACTICE FOR DIRECTORS



## **PRINCIPLES OF FGV GROUP'S CODE OF BUSINESS PRACTICE FOR DIRECTORS (COBP)**

FGV Group's COBP is applicable to all Directors (Executive and Non-Executive) of FGV Group, including Alternate Directors. The COBP further applies to all businesses and countries in which FGV Group operates.

In cultivating business integrity and in line with the Pelan Integriti Nasional and the Code of Ethics for Malaysian Business, FGV has adopted the following principles:

### **❖ Honesty in business dealings**

FGV Group aims to conduct its business dealings with honesty.

### **❖ Responsible towards customers, society and environment**

FGV Group is dedicated to be responsible towards its customers, society and the environment for every action and decision made.

### **❖ Geniality towards fellow humans**

FGV Group is compassionate and respectful towards other humans, courteous and generous with mutual cooperation.

### **❖ Moderation in business dealings**

FGV Group is committed to adopt a humble, reserved, modest, moderate, charitable approach and be frugal in all areas of business dealings.

### **❖ Fair treatment towards suppliers and customers**

FGV Group is committed to ensure equitable treatment irrespective of race, creed, class or status. FGV Group further endeavours to avoid double standards in all of its business transactions.

### **❖ Zeal in making the business a success**

FGV Group is committed to execute all its businesses with tenacity, diligence, patience, and persistence, with the courage to take reasonable risks and ready to put the utmost efforts to achieve the Group's goals and objectives.

## **1. Conflict of interest**

All Directors shall act, at all times, in the best interests of the Group and not based upon their personal interests. Directors must not put themselves in a position where they are involved in any transaction for their personal gain or to their family members, which conflicts with FGV Group's interests.

## **2. Business Integrity**

### **2.1 Commitment towards Corporate Integrity Pledge**

The Corporate Integrity Pledge and Integrity Pact signed with Malaysian Anti-Corruption Commission (MACC) on 9 April 2012 sets out principles for corporations to adopt to demonstrate their commitment toward creating a business environment that is fair, transparent and free from corruption.

Upon signing the Corporate Integrity Pledge, FGV Group has demonstrated its commitment to hold a high standard of governance, transparency and accountability. It also demonstrates FGV Group's commitment towards improving the business environment in Malaysia and upholding the principles in its business operations.

As such, all Directors within FGV Group must observe the following anti-corruption principles:

- Committing to promote values of integrity, transparency, and good governance;
- Strengthening internal systems that support corruption prevention;
- Complying with laws, policies and procedures relating to fighting corruption;
- Fighting any form of corrupt practices; and
- Supporting corruption prevention initiatives by the Malaysian Government and MACC.

FGV Group further expects all its directors to observe the Corporate Integrity Pledge signed by FGV, as well as any applicable anti-corruption laws and regulations and treaties in all countries in which FGV Group operates.

### **2.2 Anti-Bribery and Corruption**

Directors shall refrain from any activity or behaviour that could give rise to the perception or suspicion of any corrupt conduct or the attempt thereof.

When dealing with, including but not limited to, gifts, donations, sponsorship, and any other form of benefits and advantages, the Directors shall uphold the highest integrity and ensure compliance with the relevant laws in respect of anti-corruption and bribery.

## **3. Compliance to National and International Trade**

### **3.1 Competition and anti-trust laws**

FGV Group observes the highest principles of integrity in the marketplace. Thus, the Directors shall exercise oversight to ensure that all actions towards business partners (e.g. customers and suppliers), competitors and governmental authorities at all times reflect fair and proper business practices and are in compliance with the laws and regulations governing free and fair competition and monopolies.

### **3.2 Fair trading**

FGV Group shall deal fairly with customers, consumers, suppliers, competitors'

employees, the public and one another at all times. Directors shall seek to ensure that FGV Group does not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practices.

Directors shall reflect fair and proper business practices and dealings, and are in compliance with the laws and regulations governing free and fair competition and monopolies.

### **3.3 Insider Trading**

Directors shall not use non-public information to buy or sell any Company securities at any time during which the Directors are in possession of any material information relating to the Company which has not yet been made available to the public to their benefit or to benefit persons or entities outside the FGV Group, and are in compliance with applicable laws and regulations on insider trading.

### **3.4 Disclosures Giving Undue Advantage to Third Parties**

Directors shall not be involved with the commission or omission of any act which gives an undue advantage to an outside party in its dealings with FGV Group, whether or not such act or omission results in the Director obtaining a personal gain, benefit or advantage in business transactions or dealings involving FGV Group.

### **3.5 Prohibition of Anti-Competitive Practices**

Directors shall demonstrate a commitment to competition law compliance, and to ensure that FGV Group is taking steps to identify and to assess FGV's exposure to competition law risks and put in place appropriate steps to mitigate those risks, reviewing these activities on a regular basis.

## **4. Child Protection Law and Human Rights**

As a responsible business, FGV Group is committed to all aspects of sustainability, including promoting economic growth, respecting child protection law and human rights, and protecting the environment.

FGV Group shall uphold and adhere the National Child Protection Policy and international human rights principles and standards as well as support other local and international treaties which demand that children receive protection against any forms of abuse and exploitation and fundamental human rights to be universally protected.

In discharging their duties, FGV Group shall endeavour to ensure that all its business partners observe the relevant child labour laws and human rights principles and standards.

## **5. Participation in Political Activities**

Directors must not use their position with FGV Group to make any contribution or incur any expenditure using FGV Group's resources to benefit any political campaign, party or politician in any country.

## **6. Anti-Money Laundering and Anti-Terrorism Financing**

FGV Group to observe compliance to any local provisions as well as any other applicable laws and regulations pertaining to anti-money laundering in countries FGV

Group operates, established to prevent legitimate business from being used as medium for any anti-money laundering activities by criminals.

## **7. Minority Shareholders Interest**

Minority shareholders are to be treated equally as with the other shareholders of FGV Group. Directors shall always consider the interests of minority shareholders when making decisions in the interest of FGV Group.

## **8. Confidentiality**

Directors shall safeguard confidential information and treat them as strictly private and confidential unless officially published and shall not use for their own personal benefit or to benefit persons or entities outside the Group. All necessary precautions shall be taken by Directors with respect to the confidentiality of such confidential information.

## **9. Business Communication**

### **9.1 Public Disclosure/Public Statement**

FGV Group has established its Corporate Disclosure Policy, in which designated personnel are identified to ensure communications to the public are timely, accurate, complete, truthful and broadly disseminated.

As such, Directors shall avoid misleading information, speculative opinions or derogatory remarks that could unfavourably affect FGV Group's reputation.

## **10. Personal Data Protection**

FGV Group shall observe the Personal Data Protection Act (PDPA) and shall protect as well as safeguard all personal data in accordance to the data protection principles as set out in the PDPA and treat them as strictly private and confidential unless officially published.

## **11. Sustainable Development**

FGV Group shall ensure the Management is dedicated to maintain its legacy for sustainable development for generations to come. The Group is committed to sustainable development in order to help meet the world's growing energy needs through economic, environmental and socially responsible efforts.

FGV Group shall further aim to create lasting social benefits, safeguard the health and safety of employees, contractors and neighbours, minimise disruptions to the community, lower emissions, minimise impact on ecosystems and biodiversity, and use energy, water and other resources more efficiently.

Directors shall support the Group's commitment to ensure compliance with the local environmental, safety and health laws.

## **12. Reporting of Violations**

Failure to observe this COBP, which is also a non-compliance to the FGV Constitution, may result in disciplinary action, up to and including termination of directorship. Furthermore, violations of this COBP may also constitute violations of the law and may result in civil or criminal penalties.

Directors shall communicate any suspected violations of COBP (hereinafter refer to "Report") promptly to the Chairman of FGV Board of Directors. Suspected violations

shall be investigated by or at the direction of FGV Board of Directors or FGV Audit Committee, and appropriate action shall be taken in the event that a violation is confirmed. Alternatively, instances of actual or suspected violation of this COBP can be reported through any of the FGV's Whistleblowing channel.

### **13. Compliance with the COBP**

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

In respect of the Government Appointed Directors (GAD), the FGV SID shall inform the special shareholder on the Board's decision involving the affected GAD.

### **14. Waiver**

Waivers of a provision of this COBP can only be made by FGV Board of Directors, and shall be granted only in very exceptional circumstances. FGV shall disclose any such waiver and the reasons for it, in accordance with legal and regulatory requirements. A Director who becomes aware of a circumstance that may require a waiver shall promptly bring the circumstance to the attention of the Company Secretary.

### **15. References**

This Code shall be adhered to in conjunction, where necessary, with the following policies and any other rules, regulations, requirements and guidelines issued within the FGV Group:

- a) FGV Group Anti-Bribery Management System (ABMS)
- b) FGV Group Whistleblowing Policy
- c) FGV Group Referral Policy
- d) FGV Group Asset/Personal Interest Declaration Policy (APID)
- e) FGV Group External Gift, Entertainment and Hospitality Policy (GEH)
- f) FGV Group Conflict of Interest Policy
- g) FGV Group Sponsorships & Donations Policy
- h) FGV Group Code of Ethics and Conduct for Directors
- i) FGV Group Corporate Integrity Pledge