



CODE OF CONDUCT AND ETHICS

This Code of Conduct and Ethics (“the Code”) applies to all Karyon Industries Berhad (“KIB”) directors, officers and employees as well as to directors, officers and employees of each subsidiary of KIB (“Covered Party” or “Covered Parties”). KIB and its subsidiaries are collectively referred to as “the Group” or “KIB Group”.

Purpose of the Code

The Code serves to emphasize the Group’s commitment to ethics and compliance with the law in its business operations. It provides a framework for all Covered Parties ensuring the observance to and compliance with the standards of integrity and behavior that the Group is committed to. However, the Code is not intended to be all-encompassing and there are areas in which the KIB Group has developed and will develop specific detailed policies. The Code is to be read and applied in conjunction with existing rules and policies within the Group.

The Code can be supplemented or amended by the Board of Directors of KIB. All waivers of any provisions in the Code for any Covered Party may only be made by the Board of Directors of KIB.

If a law of a country conflicts with the Code, the stricter of the law of the country and the Code shall prevail.

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(i) Conflicts of Interest

A conflict of interest exists when a person’s private interest interferes in any way with the interests of the Company. A conflict can arise when a Covered Party takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when a Covered Party, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships. The Board of Directors of KIB commits to zero-tolerance on any and all forms of bribery and corruption (including but not limited to, the acts to promise, offer, give, solicit, accept or obtain any bribery and corruption and any attempts thereof).

Covered Party may not work for the Group’s competitor, supplier or customer, either directly or indirectly, such as in the capacity of a consultant, while employed by the Group. The Group’s equipment and assets may not be used for non-Group business in any manner.

Covered Parties are expected to devote their full time and attention to their positions with the Group. Outside employment should not interfere with this commitment, should not create conflict of interest, and should not impair his/her ability to meet work responsibilities of the Group.



(ii) Confidentiality

All Covered Parties must maintain the confidentiality of all the Group's proprietary and confidential information. This includes, among other things, all non-public information regarding the Group, its business, customers, associates, suppliers, vendors, developments, finances and all customers' confidential information. Generally, any information of the Group's which would be used by outside persons to their advantage and/or to the Group's detriment should be considered confidential. Distribution of confidential information in any manner is prohibited, including verbal, written and electronic, including but not limited to emails, internet chat rooms and blogs.

Many of the Group's customers have entrusted the Group with their sensitive confidential and proprietary information. In most such instances, the Group has entered into a written agreement to protect the customer's information and hold it in strict confidence. Often the Group is obligated not to disclose that the Group has received confidential information or that the Group is even dealing in any manner with the customer or prospective customer. Customers' confidential information should not be discussed with anyone, who does not have a business reason to know.

The obligation to preserve confidential information continues even after employment ends.

(iii) Insider Trading

All non-public information about the Company should be considered confidential information. Covered Parties who have access to confidential information about the Company or any other entity are not permitted to use or share that information for trading purposes.

(iv) Corporate Opportunities

Covered Parties are prohibited from taking for themselves opportunities that are discovered through the use of the Group's property, information or position without the consent of the Board of Directors of KIB. No Covered Party may use the Group's property, information or position for improper personal gain, and no employee may compete with the Group directly or indirectly. Covered Parties owe a duty to the Group to advance its legitimate interests whenever possible.

(v) Discrimination and Harassment

The Group has absolutely no tolerance for harassment or other unlawful behavior in the workplace. All employees should be able to work in a satisfying environment free of discrimination, and free of any form of harassment, whether based on race, country, disability, religion, age, gender, marital status. Any offensive physical, written or spoken conduct, including conduct of a sexual nature, is prohibited. This includes unwelcome advances, verbal or physical conduct.



(vi) Abuse of power

The abuse of power is the improper use of a position of influence, power or authority by an individual towards others. It may consist of conduct that creates a hostile or offensive work environment, which includes the use of intimidation, threats, blackmail or coercion.

The Group does not allow this conduct to be practiced in the workplace. Decisions made through the proper use of managerial and supervisory responsibilities are not considered as abuse of authority.

(vii) Health and Safety

The Group strives to provide each employee with a safe and healthy work environment. Each employee has the responsibility for maintaining a safe and healthy workplace for all employees by following environmental, safety rules and practices and by reporting accidents, injuries and unsafe equipment, practices and conditions. Violence and threatening behavior are not permitted.

Employees are expected to perform their related and assigned works by the Group in a safe manner, free of the influences of alcohol, illegal drugs or controlled substances.

(viii) Protection and Proper Use of Company Assets

All Covered Parties should protect the Group's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Group's profitability and safe and healthy work environment. All the Group's assets are to be used for legitimate and official purposes of the Group. Any suspected incident of fraud or theft should be immediately reported for investigation. The Group's assets should not be used for purposes other than the Group's business.

The obligation of Covered Parties to protect the Group's assets includes the Group's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, formulations, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of the Code.

(ix) Bribery and Corruption

An act of corruption has the effect of compromising the due and proper performance of duties and the exercise of authority, thereby affecting the integrity of the decision making process and decisions concerning the Group's business or affairs.

All Covered Parties shall not directly or indirectly provide as well as receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favours for the conduct of our business.



(x) Money Laundering

Money laundering is generally defined as occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities.

The Group strives to avoid the risk of the Group's operations being used by money launderers. The Group must not knowingly do business with anyone who it suspected of being connected with money laundering or criminal activity to protect the interest of the Group.

(xi) Respect for The Laws

The Group and the Covered Parties are bound by all applicable laws, rules and regulations in all jurisdictions it is operating in.

Compliance with all applicable laws and regulations must be observed and all Covered Parties must adhere to all internal policies, rules and regulations specific to the Group which may go beyond what is requested by law.

(xii) Compliance Procedures

The Group is committed to operating its business in accordance with the highest level of integrity and ethics standards. The Group wants to make sure that everyone who does business on behalf of the Group understands this Code and is able to ask questions if advice is needed. Should an improper practice or irregularity occur within the Group, the Group is committed to correcting the problem and taking appropriate steps to ensure it does not happen again.

Not all situations will be clear-cut. They may present the Group with difficult choices. The Group cannot possibly anticipate all situations and conduct that may fall under the Code. If you are unsure of what the Code requires, or are concerned that the Group may be in violation of law, or feel that the Code or another policy is being violated, you should follow these guidelines:

1. Get the facts.
2. Ask yourself these questions about the conduct at issue:
 - Does it violate the Group's Code?
 - Is it consistent with the Group's Core values?
 - Is it fair and just?

If the answers lead you to believe that there may be a violation of the Code or other Group Policies, you should seek further clarification or guidance from your supervisor or management. You are encouraged to come forward with questions and to report possible irregularities.



(xiii) Consequence for Non-Compliance

Failure to comply with the Code will result in appropriate disciplinary action, including, without limitation, penalties, demotion, suspension with or without pay or benefits, removal from office or dismissal.

(xiv) Channel to Report

The employees shall report any practices or actions believed to be inappropriate under the Code to their superior and the Head of Human Resource.

If it is appropriate and for other stakeholders, in view of nature of the reported matter, reports of violations may be made directly to the Chief Executive Officer.

If the concern is not satisfactorily resolved, such stakeholder shall whistle blow such genuine concerns, in confidence, by using whistleblowing procedure via Whistleblowing Policy as published in the Group's corporate website whereby the confidentiality of the whistleblower will be preserved and such whistleblower will be protected from reprisal, including any form of harassment and victimisation, as a consequence of his genuine disclosure which shall also comply with relevant laws and regulations.

All genuine complaints shall be properly investigated, and no individual shall be retaliated or incriminated for making such reports in good faith.

Reviewed and approved by the Board on 8 July 2022.