

 <p>Reference Number HC/CM-15/11-2015</p>	<p>HUMAN CAPITAL CIRCULAR MEMORANDUM</p>
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REMINDER

Date : 18 November 2015

To : All KFHMB Employees
All KFH Asset Management Employees
All KFH Labuan Employees

From : Human Capital

Re : **ADHERENCE TO THE CODE OF ETHICS AND CONDUCT**

The Bank's Code of Ethics and Conduct ("Code") outlines the principles, policies and laws that govern the activities of the Bank. The Code expresses the ethical values that must drive our behavior in order to secure the confidence of all stakeholders.

Essentially, the Code mandates **all employees to maintain the highest ethical standards in all aspects of business activities**. This includes, but is not limited to the following:

1. Upholding the highest levels of integrity, which includes raising ethical issues and maintaining confidentiality
2. Avoiding conflicts of interest
3. Complying with all applicable legislations, guidelines, policies and procedures
4. Maintaining timely and accurate records

The salient points of the Code will be uploaded onto our corporate website.

As all employees are required to comply fully with the Code, you are highly encouraged to be familiar with it in its entirety. It is easily accessible at Deskmate > HR Matters > Policies and Procedures > Policies.

Moreover, as you are aware, all employees are required to sign an Annual Declaration affirming, *inter alia*, that you have read, understood and complied with the Code at all times. Regrettably, the Management notes that breaches of the Code continue to occur as below:

1. Certain employees have not conducted themselves with integrity and professionalism, in that they **have acted in a manner which is illegal / unethical / non Syariah-compliant**. The Management takes a serious view of such misconduct and disciplinary actions have been taken against the respective employees in these reported cases.

We also wish to highlight that **should you come to know of a wrongdoing / probable wrongdoing**, you are to **report it promptly to your immediate supervisor or Human Capital**. We have found that **staff who were aware of a wrongdoing / unethical behavior on the part of a colleague were reluctant to provide information to the Bank**. Moving forward, **disciplinary action will be taken for such failure to report** wrongdoing / unethical behavior. Even if you do not have evidence, you can still forward the information and /or complaint you had received to the Bank as it is the

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Human Capital Circular Memorandum – Adherence to the Code of Ethics and Conduct (cont'd)

responsibility of the Bank to investigate. Should you prefer to provide information anonymously, you may do so as a whistleblower.

2. We have also discovered that certain **employees were involved in other business and/or the business of other companies which conflict with the business of the Bank**, e.g. by marketing another company's financial products and services or the products and services of their own business. Please be reminded that **this is strictly prohibited and disciplinary action will be taken** against those found to be engaging in such activities in any capacity whatsoever, whether during or outside working hours.

Any employee who wishes to be involved in any business is required to **obtain the necessary approval beforehand** and if approved, declare it accordingly in the following declaration cycle. **Failure to do so will result in disciplinary action** as well.

3. It has also come to the attention of the Management that there have been instances of **non-compliance with the Bank's dress code**. Please be reminded that all employees are to adhere to it as specified in Clause 7.3 of the Code of Ethics and Conduct.

As a general rule, office attire should not be form-fitting or revealing.

Female employees who do not wear the hijab or tudung which fully covers the head are required to cover your head with a scarf at all times while in office.

Male executive employees are required to wear a tie for meetings.

Other than this, please refer to Human Capital's Circular Memorandum dated 8 May 2013 on dress down day which has been uploaded on Deskmate.

Should you require further clarification or guidance on any aspect of the Code, please do not hesitate to get in touch with Human Capital.

Thank you.



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Nora Shah Abdul Wahab Shah
Chief Corporate Affairs