



KHAZANAH  
NASIONAL

# THE CODE OF CONDUCT

DILEMMA RAISING CONCERN  
COMPLIANCE **INTEGRITY**  
CONFIDENTIALITY ETHICAL  
**MUTUAL RESPECT** CULTURE  
PROFESSIONALISM  
TRUST  
**THE CODE OF CONDUCT** FAIR  
INDEPENDENCE  
ETHICAL **MUTUAL RESPECT**  
**DILIGENCE** INDEPENDENCE  
CONFLICT **TEAMWORK**  
INDEPENDENCE PILLAR  
TEAMWORK **DILIGENCE**  
PERCEPTION  
DILEMMA **PROFESSIONALISM**  
CONFLICT PERSONALITY



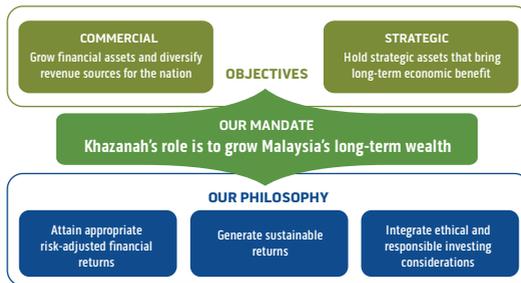
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## 1.0 INTRODUCTION

Khazanah's mandate is to grow Malaysia's long-term wealth. Grow in this context is to sustainably increase the value of investments while safeguarding financial capital injected into the fund. Long-term refers to a period spanning generations and focuses on ensuring future generations' ability to meet their needs. Wealth refers to the value of Khazanah's financial assets and economic development outcomes for the nation.

We achieve our mandate by pursuing two investment objectives – commercial and strategic. Commercial objective focuses on achieving optimal risk-adjusted returns, to grow financial assets and diversify revenue sources for the nation. Strategic objective is to undertake strategic investments with long-term economic benefits for Malaysia or Malaysians, including holding strategic national assets.



Khazanah looks to cultivate a team committed to nation building as its common bond. This culture defines us as individuals who, collectively, enrich the institution by energising it with ideas, expertise and talents that come from a myriad of disciplines.

It is important that we adopt the same principles in carrying out our day-to-day responsibilities at Khazanah. This is to ensure that all our stakeholders and other parties with whom we have regular dealings receive a consistent message on how we conduct our business and that all Khazanah's employees display a high standard of professionalism at all times.

The Code provides guidance on the standards of behaviour expected of all Khazanah's employees in our business activities. The provisions of the Code are mandatory on all employees<sup>1</sup> of Khazanah including employees of Khazanah's Satellite Offices. It's the responsibility and duty of all employees to read, understand and comply with the Code.

<sup>1</sup> Employees shall include full time, probationary, contract/temporary staff, cross assignee and trainees.

## 2.0 OUR CORE VALUES

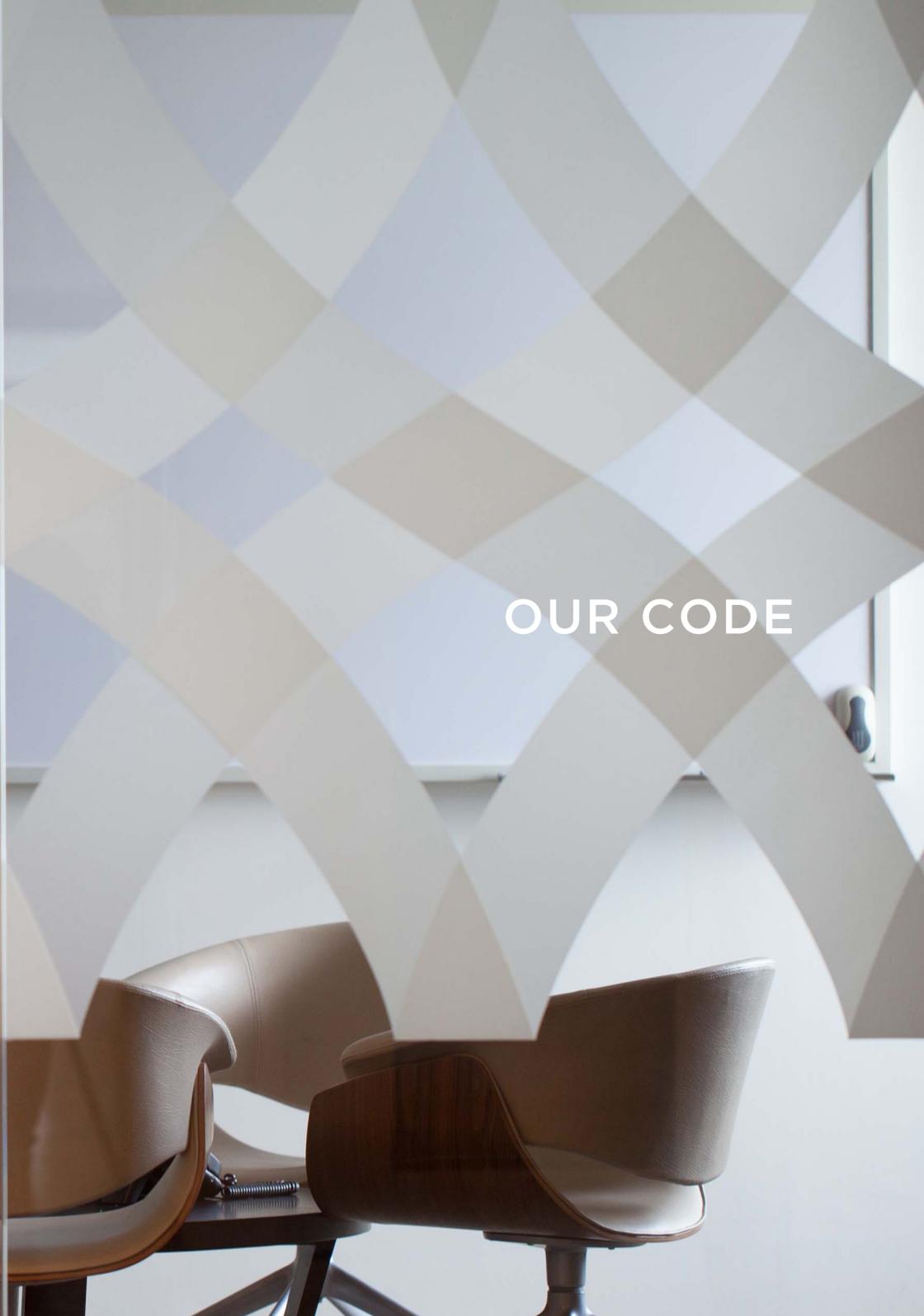
Our core values establish a sense of shared identity within Khazanah and delineate what we advocate and how we operate.

The Code emphasises the importance of upholding our core values which are:



- **Teamwork:** Our strength is our people. As a group of highly motivated individuals, we are committed to working together to achieve true value. We encourage cooperative efforts across all levels and activities, and will continually share ideas and knowledge towards a common goal;
- **Mutual Respect:** We value differences and treat everyone with the same respect that we expect from others. We are fair and honest in all our dealings and always maintain confidentiality. We inspire and enable our people to achieve high performance and we believe all individuals want to achieve their fullest potential;
- **Diligence:** We strive for speed and accuracy. We give every task our full degree of care and commitment, and attend to matters with a sense of immediacy. We boldly seek out new opportunities in pursuit of our nation's economic interests while ensuring sustainability in each of our investments and initiatives;
- **Integrity:** We do what is right without exception. We believe in good governance and operate with ethics; always staying within the letter and spirit of the law; and
- **Professionalism:** We are accountable and responsible for all that we do. Timeliness is fundamental to our work processes; we always keep to our word and promises made. To ensure the best value possible for our partners and stakeholders, we do not wait for opportunities to arise but take pro-active measures to make them happen.





OUR CODE

## 3.0 OUR CODE

### DUTY OF CONFIDENTIALITY

#### 3.1 Protection of Proprietary and Confidential Information



- 3.1.1** A high level of trust is expected of us as employees of Khazanah due to our access to information not normally made available to the public. Such information includes but is not limited to:
- Proprietary information pertaining to potential investment targets;
  - Investment proposals which Khazanah is evaluating;
  - Data relating to Khazanah's financials, operational and investment activities;
  - Other non-public information pertaining to transactions or affairs of any of Khazanah's investee companies; and
  - Information of national interests.
- 3.1.2** As such, we shall not reveal to third parties (whether individuals, companies or organisations) any of this confidential information entrusted to us which we possess or come into possession during our employment, unless due authorisation is given or it is required by the law.
- 3.1.3** Given the nature of the work that some of us are involved in, we should not reveal confidential information to other Khazanah's employees who are not authorised to have such information.
- 3.1.4** We shall comply with this requirement even after we cease to be in employment with Khazanah as long as the information is considered to be of a sensitive nature or in any other way confidential, until such information has become publicly known or such disclosures are required by the law.
- 3.1.5** Any unauthorised disclosure of confidential information regarding Khazanah to the media and/or any third party is a serious disciplinary offence and could result in summary dismissal.
- 3.1.6** Khazanah also strives to protect and safeguard all personal data we hold. Personal data shall include but are not limited to data gathered in recruitment process, appointment of Nominee Directors of special purpose vehicles/investee companies and dealings with counterparties (e.g. vendors, consultants and service providers) and business partners.

## 3.1 Protection of Proprietary and Confidential Information (Cont'd)

**3.1.7** We must comply with the relevant policies and applicable data protection and privacy laws of the countries in which we do business. This includes ensuring that we collect and use the personal data for authorised and legitimate purposes only, only disclose the data to authorised parties and ensure that data are kept up-to-date and secured.

**3.1.8** Many countries have data protection and privacy laws that affect the collection, use, storage and transfer of personal data. This is a rapidly changing area of law and if you are in doubt, please refer to Khazanah's Personal Data Protection Policy and Guidelines or consult the Personal Data Officer.

## 3.2 Abuse of Information and Insider Trading

**3.2.1** Insider trading involves dealing in the securities in any company listed on a stock exchange at any time when we have price sensitive information that is not generally available to shareholders of that company or the public. The use of inside or unpublished information about Khazanah's investments and/or potential investment targets in buying or selling shares in these companies is strictly prohibited.

**3.2.2** Price sensitive information also applies to information obtained in respect of any other listed company with whom Khazanah conducts business. In this context, price sensitive information would normally be information that would affect the decision making of a normal investor had the investor known about the information. It is our responsibility to prevent access to such information by unauthorised persons.

**3.2.3** We must also refrain from giving advice, tips or hints to others regarding the trade in these financial instruments or shares to anyone, including our family members. Insider trading is a criminal offence under various laws and regulations in Malaysia and elsewhere, and employees should note that the penalties are very serious and will lead to summary dismissal.



**3.3.3** We shall refrain from being involved in the appraisal, evaluation and decision making of any potential investments that may give rise to appearance of conflict arising from past or even future relationships where we know or ought to have known of such potential relationship. In addition, we shall declare such relationships in writing to the Head of GRC/GRC.

### 3.3 Financial Interest and Personal Conflict (Cont'd)

**3.3.4** When we are engaged in outside businesses and/or obtain other additional sources of income, there is potential conflict of interest which may interfere with our loyalty, commitment and objectivity to Khazanah and may adversely impact the performance of duties owed to Khazanah.

**3.3.5** As such, we should not take up any other employment or outside position that can create conflicts of interest. Examples include, but are not limited to:

- Having a second job, whether for remuneration, profit or otherwise;
- Serving as a consultant/advisor whether for remuneration or otherwise;
- Serving as a director or equivalent senior position (except where we serve as Khazanah's Nominee Director);
- Other position in any other organisation or body representing private interests; and
- Making a media appearance except with prior approval from the Corporate Communications Division ("Corporate Communications") (whether or not fees are received).

**3.3.6** The above provides some examples of conflicts of interest but is not intended to be an exhaustive list. Other conduct of similar nature might also be construed as being in conflict with the interests of Khazanah. Reasonable care and judgment should be exercised when faced with potential conflicts of interest, perceived or real.

**3.3.7** Where we are invited to hold certain positions such as to serve as a non-executive director or committee member of a government agency, public interest/service body or civil society/non-governmental organisation, this may be allowed with prior approval from the MD<sup>3</sup>.

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<sup>3</sup> Please refer to Khazanah's Individual Social Contribution Policy available in MyKhazanah.

## INDEPENDENCE AND CONFLICT OF INTEREST (CONT'D)

### 3.3 Financial Interest and Personal Conflict (Cont'd)

**3.3.8** We are required to declare and obtain the written consent of Khazanah before we engage in any other business activity, whether or not we benefit financially from such business activity. The same approval is necessary where we wish to have a financial interest in any business activity. If prior to joining Khazanah we are already involved in such an activity or already have such financial interest, the same approval is required to continue our involvement or hold such interest.

**3.3.9** We shall highlight any potential conflicts and discuss these with the Head of GRC.

### 3.4 Bribery, Corruption and Kickbacks

**3.4.1** Khazanah does not engage in nor condone bribery. We are firmly opposed to all forms of corruption. We shall never directly or indirectly offer or accept illegal or inappropriate gifts or other remuneration whether in money or in kind, in order to achieve business or personal advantages for ourselves or others.

**3.4.2** We shall refrain ourselves from any activity or behavior that could give rise to the perception of corruption. We shall always comply with applicable anti-bribery and anti-corruption laws.

### 3.5 Gifts and Entertainment

**3.5.1** Business courtesies are generally given to create goodwill. It may be a gift or service (whether in money or in kind) provided to or received from a business associate.



**3.5.2** We must be mindful that giving or accepting a business courtesy may create a conflict of interest or an appearance of a conflict of interest. Consideration must always be given to:

- The value of the business courtesy;
- The circumstances surrounding the offer/acceptance of the courtesy;
- The nature of the business courtesy; and
- How such an offer/acceptance may be perceived.

## 3.5 Gifts and Entertainment (Cont'd)

**3.5.3** We must ensure that all Khazanah's transactions are handled in a manner which avoids any question or appearance of bribery, kickbacks, or any suspicion of impropriety.

**3.5.4** We and our immediate family members<sup>4</sup> are generally not permitted to accept any business courtesy or other benefit of any type<sup>5</sup> regardless of value that is offered in connection with Khazanah's businesses. As an example, this may take an indirect form where a supplier may provide legitimate goods/services for our private consumption at a price that is not at arm's length or at a discount which exceeds the discount given to Khazanah's staff. If in doubt, please consult the Head of GRC.

**3.5.5** There are only four exceptions to this general prohibition. We may accept:

- Refreshments/meals when these items are provided during a business meeting;
- Reasonable and infrequent meals and entertainment (but not travel or overnight lodging) when offered by a business associate for a legitimate business reason;
- Promotional business items (the value of which does not exceed RM300), although it is Khazanah's policy to discourage the receipt of gifts; and
- Where such gifts are customary for the organisation or country involved and the non-acceptance may cause offence to the Khazanah's business associate (these exclude cash or cash equivalent gifts).

In these instances, the gift should be declared to GRC.

**3.5.6** We should also be cautious and apply the same principles if we receive unsolicited gifts and/or benefits from any party even if such party is not a direct business associate of Khazanah.

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<sup>4</sup> Defined in this Code as spouse and dependent children.

<sup>5</sup> This includes gifts, meals, entertainment and services.

## INDEPENDENCE AND CONFLICT OF INTEREST (CONT'D)

### 3.5 Gifts and Entertainment (Cont'd)

- 3.5.7** Before accepting any level of hospitality which does not fall into any of the above categories, written approval must be obtained from the Head of GRC. Such approval may be granted on a case by case basis and only if it is customary, reasonable and ethical to accept the gift, the offer and acceptance of the gift is not intended to gain unfair business advantage, it does not violate any law, and is properly accounted for.
- 3.5.8** Khazanah generally does not provide gifts but may, in limited situations, do so where this is deemed to be customary or appropriate business courtesy such as:
- Foreign visitors on official business;
  - Exchange of gifts upon completion of investment deals; and
  - Token of appreciation to the presenter/speaker for Khazanah's events.
- 3.5.9** We should take additional care to consider any potential negative connotation of the gift by or towards the recipient. All corporate gifts shall be coordinated by Corporate Communications.
- 3.5.10** We may not defeat the intent of the Code by asking a business associate to redirect a gift to a third party specified by us, as it is against the spirit of the Code.
- 3.5.11** Where gifts or souvenirs are provided or received as part of speaking engagements or official visits, these gifts should be recognised and treated as Khazanah's property unless they are personal in nature in which case the declaration procedures as set out above apply.
- 3.5.12** In summary, we must never offer or accept a business courtesy under circumstances that might be interpreted as an attempt to gain an unfair business advantage, and/or otherwise reflect negatively on the reputation of Khazanah. In all our business dealings, we must strive to act in a fair and impartial manner to promote professional relationships and practices, and a reputation for integrity. If in doubt, these should be highlighted and discussed with the Head of GRC.

## PROFESSIONAL CONDUCT

### 3.6 Professional Conduct

- 3.6.1** We must strive to treat our colleagues and Khazanah's business associates in a considerate, equitable and impartial manner and as such would not be biased, discriminatory or prejudiced towards them.
- 3.6.2** In carrying our duties and responsibilities, we are expected to behave and conduct ourselves professionally and foster a positive working environment by treating each other with respect, dignity and trust.
- 3.6.3** We expect our business associates to apply high standards of business ethics when dealing with us, our employees and our other partners and we will not tolerate improper business practices by our business associates. This Code complements any other code of conduct that such business associates may have undertaken to observe.
- 3.6.4** Khazanah does not tolerate any type of harassment and violence. These actions or behaviours include but are not limited to derogatory gender, racial or ethnic comments, bullying and unwelcomed sexual advances either verbal or otherwise.
- 3.6.5** We must not engage or become involved in any activities that may be categorised as a crime that is punishable under any law.
- 3.6.6** Employees are expected to honor and uphold their personal obligations and be responsible in their finances. These obligations may include but are not limited to tax obligations, personal loans etc. In general, employees should only consider obtaining financing from responsible lending institutions.
- 3.6.7** Khazanah is committed to ensuring the integrity of its financial records and transactions. As such, we shall ensure that all records and documents are prepared accurately, timely and in accordance with the accepted accounting standards, as well as the applicable laws of the jurisdictions in which Khazanah operates.
- 3.6.8** Falsification and concealment of financial or any other records may constitute fraud and is a serious misconduct which can result in dismissal.

## PROFESSIONAL CONDUCT (CONT'D)

### 3.6 Professional Conduct (Cont'd)

**3.6.9** While Khazanah does not prohibit its employees from participating in social media, employees should be fully aware of the risks and its potential adverse implications to Khazanah. We should ensure that our personal use does not interfere with our work nor compromise our productivity during office hours.

**3.6.10** We must act lawfully and responsibly when using social media.

**3.6.11** Unless specifically authorised to do so, we must not post on social media as a representative of Khazanah.



### 3.7 Travel and Expense Reporting

**3.7.1** All travel, travel-related and other expenses must be approved as per the Limits of Authority and comply with Khazanah's internal policies, processes and procedures.

### 3.8 Use of Khazanah's Assets and Logo

**3.8.1** In general, we are not authorised to use Khazanah's resources for personal purposes. A concession is made for the occasional use of equipment such as photocopiers and other equipment for personal purposes provided that:

- There is no incremental cost to Khazanah or the cost is insignificant and the use is of minimal duration and frequency;
- The use is not illegal or in breach of other policies;
- The use is not in support of any political or outside organisation activity; and
- The use does not interfere with the performance of Khazanah's business, our responsibilities and duties nor the duties of other employees.

**3.8.2** We should never use Khazanah's e-mail system for external broadcast messages or to send chain letters, or messages that contain obscene, profane, pornographic or otherwise offensive language, or material that violates Khazanah's rules on confidentiality. We should not access, download or store indecent, offensive or defamatory materials using Khazanah's resources or systems.

## 3.8 Use of Khazanah's Assets and Logo (Cont'd)

**3.8.3** Employees who intend to use Khazanah's name and logo must do so in compliance with Corporate Communications Branding Guidelines. The unauthorised use of Khazanah's name, logo, letterheads, business cards and any other corporate stationery for personal gain may be construed as fraud.

## 3.9 Handling Media Relations

**3.9.1** It is our undertaking that information released by Khazanah shall be accurate. In the course of our work, we may occasionally receive media or enquiries, whether due to a current ongoing matter of public concern or an 'innocent' enquiry, and/or other requests for information. All such enquiry and requests for information should be referred to the Head of Corporate Communications. Requests for all media interviews should be cleared with Corporate Communications prior to acceptance.

**3.9.2** Generally, in determining whether to approve or not, this will only be given where it is appropriate given the sensitivity on the subject matter, expertise of the staff involved and where this is in keeping with the communications objectives of Khazanah.

**3.9.3** We must never make public statements regarding issues or matters about which we are not the authorised spokesperson or which could adversely reflect upon Khazanah, even if it is our personal opinion or 'off the record'.

## 3.10 Political Activities/Lobbying/Contributions

**3.10.1** Khazanah takes the official position of being politically-neutral and as such does not give support to any political party, either in the form of direct financial support or through the use of its assets to support any candidate, incumbent or party. The reason for this strict approach is that, while many aspects of political involvement are perfectly legitimate, we are not mandated to provide any form of sponsorship, political donations, pledges or otherwise.

## PROFESSIONAL CONDUCT (CONT'D)

### 3.10 Political Activities/Lobbying/Contributions (Cont'd)

**3.10.2** Nothing in Khazanah's policies seek to restrict us acting purely in our capacity as individual citizens from participating in the democratic political process. However, Khazanah's employees are not permitted to serve or hold a position in any political party in line with the provision of this Code as outlined in 3.3.4 to 3.3.6 on conflict of interest.

**3.10.3** Accordingly, Khazanah:

- Must not make loans, contingent pledges (e.g. underwriting events or publications), or gifts, nor pay membership fees/subscriptions to political parties or individuals;
- Must not make contributions in kind (e.g. supplies of equipment or the provision of services) except where this is done on a proper contractual basis and demonstrably at a commercial rate;
- Must avoid payment of admission fees to conferences, dinners or similar events organised by political parties or their office bearers, or the purchase of their publications where there is a significant fund raising element involved;
- Must not make payments to charities, lobbying firms, or other organisations, which are fronts for political parties or individuals, or which provide means to channel funds to them; and
- Is only permitted to provide politicians with travel and accommodation if this is for a legitimate business purpose, such as facilitating a visit to one of our investee companies, and does not contravene the provisions in this Code.

**3.10.4** While we are free to make political contributions in our individual capacity, Khazanah must not in any way match, direct or suggest our contributions be made to particular parties or individuals.



**RAISING YOUR  
CONCERNS**

## 4.0 RAISING YOUR CONCERNS

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### 4.1 Raising your concerns

- 4.1.1** All employees are encouraged to raise concerns and if they have knowledge of any misconduct that is in breach of this Code.
- 4.1.2** Employees should always raise their concerns in good faith and as such, any concerns that are found to be false, malicious or frivolous shall be dealt with by way of disciplinary action.
- 4.1.3** To facilitate this, Khazanah has put in place a Raising Concern Procedure, which provides multiple channels for you to raise your concerns.
- 4.1.4** Khazanah is committed to ensure strict confidentiality and if you ask Khazanah to protect your identity, this will be respected. Your concern will then be looked into with care and professionalism by Khazanah.
- 4.1.5** However, situations may arise where it will not be possible to resolve the matter without revealing your identity (for instance where you may be required to give evidence in an internal inquiry). This will have to be discussed with you prior to deciding on the way forward.
- 4.1.6** Khazanah will not tolerate any retribution or retaliation taken against any employee who has, in good faith, sought our advice or has reported possible breach of this Code.



**FRAMEWORK  
FOR ETHICAL  
DECISION MAKING**

## 5.0 FRAMEWORK FOR ETHICAL DECISION MAKING

### 5.1 As a guide, please follow the following thought process and steps and ask yourself these questions:

#### 1. Recognise what the issue is

- Are you being asked to do/ accept something that you think might be wrong or illegal?
- Do you suspect anything that is potentially illegal or unethical at Khazanah or at a business associate?
- Are you trying to make a decision and are unsure about the ethical course of action?

#### 2. Confirm the facts and be aware of the consequences

- Judge the suitability of the offer/action.
- Make a reasonable enquiry if appropriate.
- Reassess available facts and confirm what the issue is.
- Understand what alternatives are available and related consequences.
- Consider other parties who may be involved or affected.

### 5.2 Self-Test Questions

- Is it against Khazanah's policies or applicable laws?
- Is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a business decision?
- Does it feel right?
- Is it modest and infrequent or could it place you (or the other party) under an obligation?
- Is it legal? Both in Malaysia and in the country of the other party?

### 5.3 An example

#### 1. Recognise what the issue is

- You received a gift from a business associate of Khazanah.

#### 2. Confirm the facts and be aware of the consequences

- Why is such a gift given? Would it affect my judgement when dealing with the business associate?
- Have I received gift(s) from the business associate before?
- Who is the business associate?
- Is the nature of the gift appropriate?
- Is the value inappropriate?
- Who else has received such gifts?

### 3. Determine what action to undertake

- Refer to the Code and any applicable Khazanah's policies, processes and procedures.
- Assess the risks and how you could reduce them.
- Consult your supervisor and/or the Head of GRC.
- Evaluate the best course of action.

### 4. Re-assess the robustness of your decision

- Review the "Self Test Question" in section 5.2 below.
- Apply Khazanah's core values to your decision.
- Ensure you have considered provisions in Khazanah's Code, internal policies and applicable laws.
- Consult others at Khazanah as appropriate.

### 5. Be assured in your action

- Inform relevant parties involved of your decision and rationale.
- Share learning points where applicable.
- Your conscience is clear.

- Will it reflect negatively on you or Khazanah?
- Who else could be affected by this (others in Khazanah, business associates, etc.)?
- Would you be embarrassed if others knew you took this course of action?
- Are you adopting double standards? You should only accept what you would be comfortable to offer.
- Is there an alternative action that does not pose an ethical conflict?
- How would it look in the newspapers?
- What would a reasonable person think?
- Can you sleep at night?

### 3. Determine what action to undertake

- Should I accept the gift or return it?
- If I accept would my conscience be clear?
- Is it appropriate to return the gift given the facts?
- Have I declared the gift (even if I decide to return it)?

### 4. Re-assess the robustness of your decision

- Have I asked others internally for their views on the right course of action?
- Usually, the immediate supervisor to whom you report to shall be consulted for guidance.

### 5. Be assured in your action

- Even after undertaking the above steps, if there are still doubts, please consult with the Head of GRC.

## NOTES

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