

PACIFIC INTERNET LIMITED
CODE OF BUSINESS ETHICS AND CONDUCT
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PACIFIC INTERNET LIMITED

CODE OF BUSINESS ETHICS AND CONDUCT

INTRODUCTION

The Company's code of business ethics and conduct (the "Code"), which is a set of policies by which the Company operates. This Code is intended to meet the requirements for a code of ethics under the Sarbanes-Oxley Act of 2002 and relevant NASDAQ rules and is applicable to all Employees of the Company.

As Employees of the Company, the Code provides you with a clear understanding of what you can expect in your work environment. Since this working climate or company culture as some companies have described it, is largely determined by the behavior of the Employees, your behavior shall be guided by this Code. While rules and regulations are contained in other documents, this Code captures the spirit by which the Company expects each Employee to abide by.

Rules, regulations and even laws can be manipulated and bent but a code of integrity for example, will prevent any manipulation of loopholes even if they exist. It is through this Code that we can ensure that the work environment is one that Employees can feel safe in and have confidence in the way the Company is managed. It is also through this Code that the Company can be one that is trusted by customers and partners alike.

1. GENERAL PRINCIPLES

This Code is based on the following general principles:

- **Compliance with the Law**
The Company and its Employees shall abide by the letter and the spirit of applicable laws and regulations, and will act in such a manner that the full disclosure of facts related to activities will reflect favorably upon the company.
- **Adherence to Honest and Ethical Standards**
The Company is committed to maintaining the highest level of integrity in its business dealings with shareholders, employees, customers, suppliers, local communities, governments at all levels, and the general public wherever we operate.
- **Full and Fair Disclosure**
The Company is committed to ensuring that the disclosures in the Company's periodic reports filed with the SEC and all other public communications are full, fair, accurate, timely and understandable.

- **Responsible Business Citizenship.**

The Company and its Employees will act as responsible citizens in the communities where the Company does business. We must be mindful of avoiding at all times, on and off the job, circumstances and actions that give the appearance of wrongdoing that could discredit the Company.

References in this Code to the “Company” means Pacific Internet Limited or any of its subsidiaries and associated companies.

References in this Code to “Employees” means all of the Company’s directors and all full-time employees, contract employees and permanent part-time employees legally employed by Pacific Internet Limited or any of its subsidiaries and associated companies.

This Code shall be enforced at all organizational levels. It is the responsibility of each of you to be aware of and adhere to this Code and ensure that others do the same.

2. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

It is the Company’s policy to comply with both the letter and the spirit of all applicable laws, rules and regulations. It is the personal responsibility of each of you to adhere to the standards and restrictions imposed by those laws, rules and regulations, including without limitation, laws, rules and regulations related to securities, labour, employment and workplace safety matters.

Any violation of any applicable law, rule, regulation or Company policy should be reported to the Company immediately in accordance with the reporting procedures set out under Section 7 of this Code.

Any Employee who is unsure whether a situation violates any applicable law, rule, regulation or Company policy should discuss the situation with the SVP, Group HR & Admin or the President & CEO to prevent possible problems at a later date. Failure to do so is itself a violation of this Code.

3. EMPLOYEE RELATIONS

3.1 EMPLOYEE / EMPLOYER RIGHTS

An Employee's rights and the Company's rights as an employer are governed by the laws of the country of employment, the work rules of the employing unit and individual written employment contracts, if any.

Where local laws pertaining to employment contain mandatory requirements that differ from the provisions of this Code, these country laws prevail for an Employee working in such countries, unless otherwise agreed to in written form by the Company and the Employee.

3.2 WORK ENVIRONMENT

The Company emphasizes on maintaining the highest standard of a quality work environment where all Employees respect and believe in one another. Honesty in everything we do, good character, positive attitude, strong ethics and high moral standards make a quality work environment. Each of you has a personal responsibility to abide by all of these standards.

Harassment

The Company is committed in providing a work environment in which all individuals are treated with respect and dignity. The Company will not tolerate sexual remarks, unwelcome sexual advances, requests for sexual favors, or other forms of harassment which include inappropriate rage, violence, or any conduct in the workplace that creates an intimidating, threatening, or otherwise hostile environment.

Discrimination

This Code prohibits unequal treatment of persons based on factors that do not lead to job performance. Our policy is to recruit, hire, train, promote and compensate without regard to race, national origin, religion, sex, age, color, disability, veteran status or marital status.

Drug and Alcohol Abuse

It is the intent of the Company to abide by applicable laws and regulations relative to the possession or use of alcohol and drugs. Abuse of drugs and alcohol impairs Employee judgment, which may result in increased safety risks, Employee injuries, and faulty decision making.

The consumption of alcohol during office hours is only permissible within reasonable limits during company functions / client entertainment. The Company does not allow consumption of alcohol on company premises except during company sponsored events and when prior permission has been granted.

Office Politics

The Company is committed in creating a working environment devoid of stressful, non-productive office politics such as backbiting and manipulating behavior. The Company encourages diplomacy that reduces non-productive stress.

Health Lifestyle

The Company supports the promotion of a healthy lifestyle. As such, it promotes a 'smoke-free' work environment and provides a well-ventilated workplace to all Employees

Safety Workplace

The Company is committed in maintaining a safe and healthy work environment for all Employees, in compliance with local safety codes and reasonably free of known safety hazards.

Employee's Privacy

The Company operates on the firm belief of respect for Employee's privacy. The respect for Employee privacy precludes any concern relative to personal conduct off the job, unless such conduct impairs the Employee's work performance or affects the reputation or legitimate business interest of the Company.

Open Door Policy

The Company practices openness in communication and handling of grievances through an open-door policy. For more information, please refer to the Company's Employee Handbook.

Employees as Stakeholders

The Company views employees as stakeholders and practices a fair and equitable appraisal and reward system that aims at maintaining a long-term and productive work environment. Employees are crucial to our success. We aim to retain by providing rewards and career opportunities that are in-line with their value-add..

3.3 CONFLICT OF INTEREST

Employees are expected to act and perform his or her duties ethically and honestly and with the highest sense of integrity.

This requires Employees to avoid actual or apparent conflicts of interest between personal and professional relationships.

A “conflict of interest” exists when there is a conflict between an individual’s obligation to the Company and personal self-interest. Conflicts of interest situations are prohibited as a matter of Company policy and Employees should avoid any situation that may appear to be a conflict of interest between personal and the Company’s interest.

Generally, Employees should not provide service or assistance to a competitor or engage in activities that compete with any of the Company’s lines of business that could impair or unduly influence their ability to discharge their duties properly. In addition, you may not exploit for your personal gain inventions, patents or copyrights belonging to the Company.

Under no circumstances should you participate in any of the following activities:

- Obtaining a significant financial or other beneficial interest in one of the Company’s suppliers, partners, customers or competitors;
- Engaging in a business transaction involving the Company for personal profit or gain;
- Accepting money, gifts of other nominal value, excessive hospitality, loans or other special treatment from any supplier, partner, customer or competitor of the Company.
- Participating in any personal sale, loan or gift of Company’s property;
- Learning of a business opportunity through association with the Company and disclosing it to a third party or investing in the opportunity without first offering it to the Company; or
- Performing work that competes in any way with the interest of the Company.

3.4 ILLEGAL OR IMPROPER ACTS

This Code prohibits Employees from engaging in illegal or improper acts which include but are not limited to:

- Conviction or plea of “guilty” or “no contest” to any crime constituting a felony in the jurisdiction in which committed, any crime involving moral turpitude, or any violation of criminal law involving dishonesty or willful misconduct;
- Repeated failure or refusal to perform your duties in an acceptable manner, or to follow the lawful and proper directives of the Board of Directors or your supervisor(s) or manager(s);

- Failure to disclose side agreements or “understandings” with a customer, supplier or partner that are outside the terms of the contract; or
- Other misconduct that has or could discredit or damage the Company.

3.5 FRAUD AND SIMILAR IRREGULARITIES

All Employees must be cognizant of fraud within the Company or any act which may result in false or misleading entries in its books and records. Any such acts should be reported to the Company immediately in accordance with the reporting procedures set out under section 7 of this Code.

4. PUBLIC DISCLOSURES, ACCOUNTING CONTROLS, PROCEDURES AND RECORDS

The Company is committed to ensuring that the disclosures in the Company’s periodic reports filed with the SEC and all other public communications are full, fair, accurate, timely and understandable and it expects each Employee to work diligently towards this goal.

In order to achieve the aforesaid goal:

- the Company has developed and maintains a system of internal accounting controls and procedures in order to provide reasonable assurance that transactions within the Group are properly authorized, recorded and are in compliance with all applicable laws. Internal controls in place within the Group include but are not limited to written policies and guidelines, supervisory review and monitoring, budgetary controls and various other checks and balances, such as authority and cheque matrices; and
- the Company has also developed and maintained a set of disclosure controls and procedures to ensure that all information required to be disclosed by the Company under any SEC regulations or any other applicable laws or regulations is recorded, processed, summarized and reported within the prescribed time periods.

It is crucial for Employees to be aware that responsibility for compliance with these internal controls and disclosure controls and procedures should not rest solely with the Company’s financial officers. Each Employee is expected to be familiar with, and to adhere strictly to, these internal controls and disclosure controls and procedures.

Employees must also adhere strictly to the following non-exhaustive principles:

- all business transactions must be properly authorized and be fairly, completely and accurately recorded in the Company's books and records;
- all Company accounting records, together with reports produced from these records must be kept and presented in accordance with all applicable laws and regulations and must not contain any false or intentionally misleading entries;
- Employees are expected to comply fully and accurately with all audits, requests for special record-keeping or retention of documents or any information from the Company's management or its internal and/or external auditors; and
- No information is to be intentionally withheld from or misrepresented to the Company's internal and/or external auditors.

Any Employee who reasonably believes that the Company's books and records are no in conformity with the above requirements should immediately report the matter to the appropriate party in accordance with the reporting procedures set out under Section 7 of this Code.

5. BUSINESS PARTNERS, VENDORS AND CUSTOMERS

5.1 PROCUREMENT OF GOODS AND SERVICES

The Company is committed to dealing fairly with our suppliers. We will emphasize fair competition in a competitive evaluation process to determine the best supplier, without discrimination or deception, in a manner consistent with long-lasting business relationships.

Employees shall not attempt to exert influence to obtain "special treatment" for a particular supplier that could jeopardize our competitive selection procedures. Employees shall also protect the confidentiality of pricing and product information submitted to us by suppliers or potential suppliers.

Purchasing agreement should be documented and clearly identify the services or products to be provided, the basis for earning payment, and the applicable rate or fee. The amount of payment must commensurate with the services or products provided.

5.2 GIFTS AND ENTERTAINMENT

The Company aims to treat all Employees and companies with whom it has business relationships, fairly and impartially. While business courtesies are to be encouraged, giving or accepting gifts and entertainment can be construed as an attempt to unduly influence relationships.

Employees or members of their families shall not accept gifts, services, travel, or entertainment that may affect, or be reasonably perceived to affect, their judgment or actions in the performance of their duties.

Employees must use their judgment to determine whether a gift is improper and should be refused to prevent embarrassment to everyone and to avoid what may be an unintentional violation of this Code. Employee should therefore ensure that proper declaration and acknowledgment procedures are adhered to.

The recipient must report without delay by completing the form – “Declaration of Gifts Received” and seek clearance from the following Approving officer.

| Recipients | Approving Authority |
|-------------------------|---|
| President & CEO | Chairman, Pacific Internet |
| Senior Management Staff | President & CEO / Country Managing Director / Senior Vice President, Group HR & Admin |
| All other employees | Country Managing Director / Country HR Head |

The only type of Gifts which may be accepted and retained by the Employees without declarations are mementos/ souvenirs which have no commercial value such as diaries, calendar, memo pads, year planner, etc.

An employee should report to his/her immediate supervisor if he/she is offered any inducement or gratification. Gifts should also be refused under the following circumstances:

- a) It is likely to result in unnecessary or undesirable indirect or direct publicity for the company.
- b) It is intended to exert influence on or is likely to embarrass the company.
- c) The receipt of such Gifts would place the recipient under any form of obligation.
- d) A Gift in the form of cash must be refused.

- e) An employee must not accept free trips from vendors/ contractors for the purpose of evaluating products. If such visits are necessary, they shall be undertaken at the company's expense or as an integral part if the contractual obligation acceptable to the Approving Officer as stated above.

A clear business purpose should be established. Employees will be reimbursed for reasonable business-related travel and entertainment expenses if they are authorized or justifiable, reasonable and in accordance with the Company's travel and entertainment expense guidelines.

5.3 DEALING WITH PROSPECTS AND CUSTOMERS

The Company is dedicated to total customer satisfaction. Integrity is critical if we are to achieve customer satisfaction and maintain a partnership with customers over the long term.

Employees must never knowingly make misrepresentations to customers regarding either the Company's or competitors' products or services; all comparisons to competitors must be accurate, based on publicly available information and not misleading.

Employees must not engage in "side letters" or agreements (verbal or written) outside written contracts with customers that would allow customers to invalidate or materially alter a transaction.

6. CONFIDENTIALITY AND PROTECTION OF COMPANY INFORMATION AND PROPERTY

6.1 USE AND DISCLOSURE OF INSIDE INFORMATION

"Inside Information" generally is defined as potentially material or significant information, either positive or negative, that has not been publicly disseminated.

Employees in possession of Inside Information and/or "material nonpublic information" (where there is a reasonable likelihood that the information would be considered important by an investor) are considered "insiders".

Insiders must protect from disclosure or misuse of all Inside Information and non-public information pertaining to the Company, including but not limited to an impending change of capital structure, including a stock offering, stock split or stock dividend; a potential acquisition or merger; a change in the Company's competitive

position; financial results and financial projects; the financial development of new products or services; the execution of material contracts, such as strategic alliances or license agreements; or other important developments affecting the business or viability of the Company.

Under no circumstances should an Employee disclose Company's confidential information, Inside Information or make a recommendation as to whether anyone should invest in or sell the Company's securities at any time. Employees who are in possession of Inside Information should refrain from any purchase or sale of the Company's securities until after the information is publicly disseminated. If the information relates to the Company's relationship with another company, the

Employee should refrain from the purchase or sale of that company's securities until the information is publicly disseminated. Public dissemination involves the release of information to the press followed by a period of delay during which outside investors can evaluate the news.

Employees should not discuss Inside Information with anyone, inside or outside of the Company, except as necessary for execution of their job duties until the point in time after the Inside Information is publicly disseminated.

6.2 PROTECTING COMPANY PROPERTY

All Employees have a responsibility to protect the Company's assets entrusted to them from loss, damage, misuse or theft. Assets include, but are not limited to, proprietary information, technology data, software, information system resources, land, buildings, equipment, documents and cash.

Employees should comply with security programs that help prevent unauthorized use or theft, and abide by all regulations or contractual agreements governing their use.

The use of company assets should be limited to company business and not extended for personal use. Any Employee leaving the Company must return all property including documents or media containing proprietary information.

All information and intellectual property accessed and developed by you in the course of your service with the Company shall be considered the property of the Company and shall be deemed and treated as confidential proprietary information of the Company. It shall be left at its offices and shall not be removed at all times even upon the termination of your contract with the Company.

6.3 MEDIA RELATIONS

The Company views the media as a strategic communications medium that can be used effectively as its communications channel. Conversely, the media can also be counter productive and create public relations challenges and issues. The Company employs professionals who manage the public image of the Company through programs and message management. Employees shall not communicate with the media without prior consultation with the corporate communications personnel of the Company, regardless of whether it is on or off the record. If there is any potential public relations issue e.g. a customer writing a complaint in a public forum, the Employee should refer it to the corporate communications personnel immediately.

In view of Regulation Fair Disclosure regulated by Securities and Exchange Commission (SEC) for companies listed in the United States, since the Company is listed on NASDAQ, the Company is expected to observe this regulation to ensure any material information is disseminated fairly to all investors. For communications with shareholders, research analysts, fund managers or potential investors, Employees shall not communicate with the investment community without prior consultation with the Investor Relations personnel of the Company, regardless of whether it is on or off the record. If there is any queries or request for company information, the Employee should refer it to the Investor Relations personnel immediately.

7. REPORTING VIOLATIONS AND NON-RETALIATION POLICY

7.1 REPORTING VIOLATIONS

Any Employee who is aware of any violation of the Code, or is concerned that a violation might develop and has a duty to disclose such violation directly to the following personnel(s) assigned by the Company's Compensation & Administrative ('Comp & Admin') Committee.

| Violations By | Investigation Party / Parties |
|--------------------------|--|
| Employees | President & CEO or any other designated person |
| Human Resource personnel | President & CEO |
| President & CEO | Chairman of Comp and Admin Committee |

The following personnel will investigate violations and determine the appropriate action to be taken in the event of any violation of this Code. Failure to report actual or suspected violations is itself a violation of the Code. Subject always to applicable law and regulation, the Company will endeavour to keep reports confidential to the fullest extent practicable under the circumstances.

7.2 NON-RETALIATION POLICY

No Employee shall be subject to any retaliation by the Company because of any report made in good faith. This means that any Employee who in good faith reports an actual or suspected violation of the Code, laws and regulations may not be terminated, demoted, reprimanded or otherwise discriminated upon, for or due to the reporting of any such violations.

However, the Company reserves the rights to discipline any Employee who makes a report in bad faith or who knowingly makes a false accusation.

8. ACCOUNTABILITY FOR ADHERENCE TO THE CODE

Any violation of the Code may result in disciplinary action, up to and including termination of employment. Employees may also be personally liable for any legal or ethical violations.

9. AMENDMENTS AND WAIVERS

9.1 AMENDMENTS

The Comp & Admin Committee will review this Code periodically and recommend any amendment as appropriate for approval by the Board of Directors.

9.2 WAIVERS

Any waiver from this Code for directors or executive officers of the Company may be made only upon approval by the Company's Board of Directors and the nature and reasons for such waiver shall be promptly disclosed in accordance with all relevant SEC and NASDAQ disclosure requirements.

Waivers of this Code for a non-executive Employee may be made by the Comp and Admin Committee provided always that, such non-executive Employee had made full disclosure and application for a waiver to the Comp and Admin Committee (through SVP, Group HR & Admin) in advance of the transaction in question.

10. CONCLUSION

This Code of Business Ethics and Conduct is a guide to assist us by clarifying our ethical principles and standards; it is not all encompassing.

If you are confronted with situations not covered by this Code or have queries regarding the matters addressed by this Code, you are encouraged to consult with the SVP, Group HR & Admin.

Amended and approved by the Board of Directors on the 14th day of May 2004.

For and on behalf of the Board of Directors

/s/ Low Sin Leng

Low Sin Leng
Chairman of the Board of Directors

Revision History:

- Original approved and adopted by the Board of Directors on the 4th day of February 2004.
 - 1st Amendment approved by the Board of Directors on the 14th day of May 2004.
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ACKNOWLEDGEMENT

(to be returned to the respective office Human Resource Department)

I acknowledge that I have received and read the Code of Business Ethics and Conduct Policy.

I agree to comply fully with the standards contained in the Code of Business Ethics and Conduct and the Company's related policies and procedures.

I understand that I have an obligation to report to the relevant authority assigned by Comp and Admin Committee of any actual or suspected violation of the Code of Business Ethics and Conduct.

Printed Name

Signature

Date