



NAM CHEONG LIMITED

Code of Conduct & Ethics

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Abbreviations

In this manual, the following abbreviations shall have the following meaning unless otherwise stated:

ABAC	Anti-Bribery and Anti-Corruption		HRAD	Human Resource & Administration Department
HOD	Head of Department			

1.0 Introduction

Nam Cheong Limited (“Nam Cheong”), together with its Board of Directors (“Board”) and its subsidiary companies (thereon referred to as the “Group”) put in place this Code of Conduct and Ethics to articulate the Group’s mission, values and principles.

This Code of Conduct and Ethics is applicable to all employee of the Group.

It is your guide to the terms and conditions of employment and forms and express part of you contract of service with Nam Cheong Limited. It aims to provide you with useful information of the Company and matters that will concern you personally as an employee of the Group.

This Code of Conduct & Ethics shall be read in line with the related policies such as Anti-Bribery and Anti-Corruption (“ABAC”) Policy and Guideline, Whistleblowing Policy, NC Health and Safety Policy, etc.

The management of the Group reserves the right to make the necessary amendment and changes to the contents of this code of conduct and ethics based on the requirements of the Group’s organisation and the applicable laws of the jurisdiction, including revision to the existing policy(ies) or implementation of new policy(ies) which are relevant to the Group from time to time.

2.0 Professional Conduct

All employees under the employment of Nam Cheong shall observe and adhere to the highest standard of professional conduct. Employees should, in all respect and at all times, conduct themselves with integrity, propriety and decorum, and must not under any circumstances, commit any act or omission that would bring damage to the Group, its property, reputation or general interests.

Employees are expected to have respect and tolerance for diversity of cultures, gender, ethnics and religions other than those of their own whether locally or overseas and shall conduct themselves in accordance with accepted standards of behaviour.

The Group does not tolerate any form of abusive or coercive behaviour whether verbal or otherwise, physical violence or sexual harassment among its employees.

An employee who is in breach of the above Code of Conduct will render himself / herself liable to disciplinary action. Stern disciplinary action will be taken against any employee for non-compliance of such laws, rules and procedures.

3.0 Discipline

- a. Employees shall observe and adhere / carry out at all times:
 - i. The instructions / orders of their superiors; and
 - ii. The rules and regulations of the Group.
- b. Any disregard of the said policies shall constitute a misconduct and appropriate disciplinary actions shall be taken including summary dismissal / termination. However, open communication between Management and employees is always encouraged and the establishment of a conducive working environment goes a long way towards eliminating

disciplinary problems. Depending on the circumstances of an infraction, a breach of discipline may be described as a **minor** or **major misconduct**.

- c. Employee shall be issued a show cause letter who is alleged to have committed an act of misconduct and the employee is required to reply with an explanation to the show cause letter within stipulated dateline.

3.1 Misconduct

a. Minor Misconduct

Disciplinary action will be approached in a progressive manner. It will begin with counselling and be followed by first warning letter and final warning letter.

The list is not exhaustive but is only an illustration of what constitutes a minor misconduct:

- i. Leaving work place during working hours without permission;
- ii. Sleeping during working hours;
- iii. Repeated failure to meet established standards of work;
- iv. Failure to obey safety rules or wear safety equipment;
- v. Deliberately going to other doctors to obtain medical leave when refused by the Panel Doctor.
- vi. Arriving late for work;
- vii. Smoking at non-designated area, spitting or littering within the Group's premises;
- viii. Entering restricted areas in Group's premises; and
- ix. Not taking care of tools, equipment, etc. entrusted to employees

b. Major Misconduct

Acts or omissions which the Group views as a serious breach of discipline because they could jeopardise the Group's image, create discord among employees and or endanger employee(s) interest. Offences which are classified as major infractions will be dealt with more severely and could lead to immediate dismissal.

The list is not exhaustive but is only an illustration of what constitutes a major misconduct:

- i. Willful insubordination or disobedience to any lawful and reasonable order of a supervisor;
- ii. Threatening to leave the Group's premises for reason of abandoning work premises or without any valid reasons;
- iii. Absence from work without permission;
- iv. Deliberate damage to Group's property;

- v. Theft, fraud or dishonesty including attempted fraud or attempted dishonesty;
- vi. Any attempt of bribery and corruption or actual bribery and corruption activities;
- vii. Gambling in any manner whatsoever and/or consumption of alcohol in at the work premises;
- viii. Gross negligence in the performance of duties;
- ix. Disclosing commercial secrets or sensitive commercial information;
- x. Obtaining or attempting to obtain leave of absence under false pretenses;
- xi. Embezzlement of Group's funds;
- xii. Consumption or trafficking of illegal drugs;
- xiii. Threatening to cause physical harm or injury to any member of the employee to their families or intimidation of whatever nature;
- xiv. Any act, conspiracy, or abetting resulting in riots or racial tension or clashes;
- xv. Inciting or aiding another employee to commit any of the above offences;
- xvi. Sexual harassment;
- xvii. Any cyber misconduct;
- xviii. Any criminal misconduct;
- xix. Making fraudulent or falsifying claims on claims form, receipts, overtime claims, time recording forms, punch card, self-assessment forms, qualification certificate or job application forms;
- xx. Forming union(s) or any similar group(s) in absence of participation of Group's management representatives without prior approval from the superior(s);
- xxi. Attempt(s) to incite strike or boycott the Group which threatens the Group's interests or daily operations;
- xxii. Any other act or neglect considered major; and
- xxiii. Money laundering and / or terrorism financing offences (under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001).

3.2 Suspension and Disciplinary

- a. The Group may suspend an employee from work should there be an employee be accused of any gross misconduct during the investigation stage for a period not exceeding **two (2) weeks on half pay** in accordance with Employment Act 1955. Any suspension beyond the two (2) weeks period shall be on full pay.
- b. Employee found **not guilty** of the charge(s) / misconduct, the Group shall forthwith restore the full amount of wages withheld during the suspension period.

- c. Employee found **guilty** of the charge(s) / misconduct, upon completion of the investigation, the Group shall dismiss the employee immediately without notice or payment in lieu of notice.
- d. During the period of suspension, the offending employee is not required to report for duty and shall not be allowed to enter the premises of the Group, unless his presence is required to assist the Group in its investigation, in which case, he shall be informed in writing.

3.3 Appeal procedure

An employee who is aggrieved by the decision in a disciplinary action has the right to appeal to have the decision reviewed within fourteen (14) days from the date of the service or posting of the return disciplinary serve (whichever is later).

4.0 Activities Outside the Group

- a. As he / she is required to in the course of his duty or expressly permitted by the Group to do so, no employee may take part directly or indirectly in the Management or business activities of any company or companies, firms, corporations or other activities whatsoever, whether for gain or otherwise.
- b. Any permission granted may be withdrawn at any time without assigning any reason therefore. Any employee having any interest either directly or indirectly through nominees or trustees in any Group, firms or business, must declare his / her interest to immediate superior / HRAD.

5.0 Participation in Media and Social Media

- a. An employee shall not participate in any form of advertisement or broadcasting whether in the newspaper, magazines, radio or television or any other media without prior written consent from the Group.
- b. An employee shall not make any comments, postings of any information related to Group's policies, activities and operations which could give negative or bad image to the Group in the social media at any time.

6.0 Whistleblowing

- a. Reference shall be made to the *Whistleblowing Policy & Guidelines* pertaining to reporting procedures any suspected misconduct or breach of any terms and condition of service.
- b. An employee who fails to report shall himself/herself shall be deemed as guilty of inefficiency and render himself to disciplinary actions.

7.0 Secrecy, Confidentiality and Non-Disclosure

- a. It is a condition of employment that an employee treat information about the Group, colleagues and clients as strictly confidential and that such information must not, under any circumstances, be disclosed to third parties or used directly or indirectly for personal gain, unless authorised by the Group or required by the law or duties. This includes the use of procedures, manuals, data and software used by or acquired by the Group or its clients.

- b. If any confidentiality issued arise or an employee have any doubt concerning relations with clients or the appropriateness of any action that may adversely affect the Group, the employee should advise the Head of HRAD / HOD immediately.
- c. This restriction shall continue to apply after or following termination of the Employment Contract but shall cease to apply to information or knowledge which may come into the public domain.

8.0 Liability of Employees

- a. An employee may be liable to an extent determined by the Group for any Group's facilities given or any other action taken by him / her with the approval of the Group.
- b. Any payment that has to be made by the Group as the results of the employee's negligence or careless action or as a result of action taken without approval shall be recoverable from the employee by way of deduction from his / her salary or the Group as its discretion may take any other action against such employee.

9.0 Conflict of Interest

- a. In all business relationships, both internal and external, employees should not permit themselves to be placed in a dual interest position or in conflict between self-interest and integrity. No employee should benefit personally from any purchase of goods or services by the Group, nor derive personal gain from action taken as a representative of the Group. If any employee is found guilty of such doings, the Group has the right to dismiss the employee summarily without any compensation.
- b. Any outside employment or business owned by the employee (directly or indirectly e.g., through his / her immediate family, shares or any forms of beneficial interest) in:
 - i. Privately owned entities which derive the major part of their income from contractual or other business arrangement with the Group;
 - ii. Privately owned entities which are listed in the Group's list of authorised contractors, even if the entities concerned do not derive most of their income from contractual or other business arrangements with the Group; and
 - iii. Privately owned entities supplying materials, equipment, property and / or services to the Group.
- c. Any outside employment must be declared / make known to the Group. While it is not the Group's intent to interfere or prevent employees from engaging in outside employment, they are considerations which may limit or prevent this.
- d. An employee shall not accept any outside employment which are in competition with the Group while under employment.

10.0 Political and Religious Activities

- a. The Group recognises the employees in their capacity as citizens may wish to involve themselves in legitimate political parties or religious activities.
- b. While the Group does not wish to discourage the employees from doing so and in order that the Group can avoid involvement or identification with any political party, such employees

would be required to use their off duty time, or leave entitlement for such matters. No time off, with or without pay will be granted for this.

- c. However, the Group exercises certain restraints to employees who are seeking election or have been appointed to the position of Head, or its equivalent, Secretary or Treasurer at Division or National level. In this instance, the employee concerned would need to obtain approval from the Group.

11.0 Gifts, Entertainment and Donation

Reference shall be made to the *Anti-Bribery and Anti-Corruption Policy and Guidelines* pertaining to the guidelines of on gifts, entertainment, donation and any other forms of gratuities.

An employee is discouraged to receive or give, nor allow his immediate family to receive or give on his behalf gifts or provision of gratuitous services from or to the Group's contractors, suppliers, bankers, dealers or customers, as this could place such executives in a position whereby their independent business judgement may be prejudiced.

12.0 Harassment

- a. The Group deplores all forms of harassment – sexual, racial, religious, gender, ethnic, age related to disability, general bullying or intimidation and seeks to ensure that the working environment is sympathetic and conducive to its employees.
- b. The Group encourages the employees to whistle-blow and / or raise this matter through the Whistleblowing channel and / or to immediate superior / HRAD immediately in the event of a problem of this nature.
- c. Any employee who harasses any other employee on the grounds of sex, sexual orientation, race, disability or religion upon investigation shall be subjected to the Group's disciplinary procedure.

13.0 Sexual Harassment

- a. Sexual harassment is defined as: **“any unwanted conduct(s) of a sexual nature, whether verbal, non-verbal, visual, gestural or physical harassment, directed at a person of the same or opposite gender which is offensive or humiliating or is a threat to his/her well-being in particular where such conduct(s) has been refused or objected, arising out of and in the course of his/her employment.”**
- b. Sexual harassment encompasses various conducts of a sexual nature, namely:
 - i. Verbal harassment:
e.g. offensive or suggestive remarks, comments, jokes, jesting, kidding, sounds, questioning.
 - ii. Non-verbal / gestural harassment:
e.g. leering or ogling with suggestive overtones, licking lips or holding or eating food provocatively, hand signal or sign language denoting sexual activity, persistent flirting.
 - iii. Visual harassment:
e.g. showing pornographic materials, drawing sex-based sketches or writing sex-based letters, sexual exposure.

- iv. Psychological harassment:
e.g. repeated unwanted social invitations, relentless proposals for dates or physical intimacy.
- v. Physical harassment:
e.g. inappropriate touching, patting, pinching, stroking, brushing up against the body, hugging, kissing, fondling, sexual assault.
- c. The Group does not tolerate any form of sexual harassment. Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other unwelcome verbal or physical contact of a sexual nature when such conduct creates an offensive, hostile, and intimidating working environment and prevents an individual from effectively performing the duties of their position.
- d. Any employee who is found guilty of sexual harassment upon investigation shall be subjected to the Group's disciplinary procedure and lodgment of a police report against the culprit / offender.

14.0 Health and Safety

- a. Reference shall be made to *NC Health and Safety Policy* pertaining to adherence of proper HSE guidelines that is in accordance with the standards and any other compliances regulations applicable.
- b. The Group places high priority on maintaining a healthy and safe working environment for all its employees, directors and business associates.
- c. The Group adopts zero tolerance policy towards criminal behaviour / conduct in order to protect the safety of its employees, directors, associates and clients. Any criminal behaviour / conduct cases shall be immediately referred to the relevant authorities.

15.0 Cyberspace Abuse and Software Piracy

- a. The Group does not tolerate any form of cyberspace abuse. Employees who have access to e-mails and/or internet access provided by the Group are required to use such services exclusively for work, business and matters of the Group. The use for personal reasons shall not be permitted.
- b. The Group does not permit the use of pirated software in its computers and/or IT facilities. The relevant departments and operations of the Group are expected to conform to local copyright laws and to reasonably ensure that any software used is a fully licensed product.
- c. The Group reserves the right to seek any compensation for such loss or damage or any other consequential costs as it may see fit from the employee guilty of this act.

Appendix 1: Acknowledgment of Code of Conduct & Ethics

Employee Name:

NRIC:

Employee No.:

Department:

I hereby acknowledge that I have received, read and fully understood the contents and agree to terms and conditions as stated therein as part of my employment contract.

I understand that failure to comply with the Group's Code of Conduct & Ethics may result in disciplinary action and be subjected to employment termination.

I acknowledge that I will contact the Head of Human Resource & Administration should I have any questions or clarifications required.

Signature

Date: