

## Code of Business Conduct and Ethics for Employees

The Code of Business Conduct and Ethics for Employees (this “**Code**”) establishes the fundamental principles of ethical and professional conduct expected of all employees of Hoe Leong Corporation Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) in the performance of their duties.

### **Glossary of terms**

“Key executive” means the most senior executive officer of each group entity. Profile of key executives would be disclosed in the ‘Key Executives’ section of the Company’s annual report.

“Executive officer” means key management personnel of the Company whose appointment and resignation need to be announced on the SGXNet.

“Director” means director of the Company or respective group entity according to records of/ filing with registry of companies and other similar regulatory bodies.

“HR Department” means human resources department of respective group entities. Declarations by employees under this Code shall be submitted to the head of Department which will in turn be submitted to the HR Department of the Company from time to time.

### **Responsibilities to the Group**

#### 1.1 Co-operating with External and Internal Investigations Teams (including auditors)

Employees are required to cooperate fully with any authorised external or internal investigation. Making false or misleading statements is ground for disciplinary actions.

#### 1.2 Intellectual Property

Intellectual property, including, but not limited to, patents, trademarks and copyrights, developed or otherwise acquired by the Group is the property of the Group. Employees must make all efforts to ensure the Group’s interests in intellectual property are secured. Employees with access to such intellectual property must not, without proper authorization, disclose or use the intellectual property, both during and after their employment with the Group.

#### 1.3 Accurate Records and Records Retention

##### Accounting records/ documents

The Group’s accounting records/ documents must always be prepared with accuracy and reliability. No information on any record or document is to be tampered with or falsified.

Except for documents relating to major corporate actions (e.g. acquisition of assets) which should be labelled and filed properly and archived as permanent record for future reference, accounting records/ documents must be retained no less than 5 years from the end of the financial year in which the transactions or operations to which those records relate are completed or a longer period of time as required by local regulations. The records have to be:

- (a) kept at the registered office of the group entity or other appropriate location; and
- (b) readily available for inspection.

### Business records/ documents

All business records/ documents, including email correspondences, which would be used/ referred to for work and business presently and in the foreseeable future shall be retained.

### Digital records/ documents

Digital records/ documents shall be backed up regularly by the IT personnel. Older digital records/ documents which are seldom or would not be used/ referred to shall be archived by the IT personnel.

### Other documents

Employees who believe that any document, record or data is or may be required for the purposes of litigation or investigation, must notify and consult key executives and/ or directors of various group entities. The failure to maintain required documents, records or data may result in criminal and civil proceedings against the Group and the employee concerned.

## **Representing the Group to Clients/ Investors and Other External Parties**

### 1.4 Gift and Entertainment<sup>1</sup>

Anti-corruption law<sup>2</sup> prohibit companies, their employees and agents from using bribery to obtain or retain business or obtain an unfair business advantage. Any employee guilty of bribery or corruption shall be subject to severe disciplinary action and may also be prosecuted under anti-corruption laws.

The guidelines below outline the treatment and declaration of gifts and entertainments.

- <sup>1</sup> In this Code, “gifts” and “entertainment” also refer to unwarranted favours, advantages and preferential treatments.
- <sup>2</sup> Laws relating to corruption or illegal gratification applicable in the country where the employee works. For example, Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Singapore Statutes, Cap 65A).

#### 1.4.1 Gifts and Entertainment

- (i) Circumstances when gifts or entertainment cannot be accepted

The Group recognizes that the receipt of gifts and entertainment by employees may create an inappropriate expectation or obligation, or a wrong impression that there was an improper inducement to grant concessions.

Subject to Section 1.4.2 (ii), the Group specifically requires all employees to comply with the following:

- No employee shall ask for any gift or entertainment from anyone in connection with his/ her employment with the Group.
- No employee shall accept any gift or entertainment under circumstances where it may appear to others that his/ her business judgement has been compromised, or where he/ she would be placed under an obligation that is in conflict with his/ her duty.

- Unless otherwise approved by a key executive or director of the group entity and/ or the Company, no employee shall propose to any external party (e.g., vendors, clients/ investors, business associates) or any business unit of the Group for contributions or sponsorship for any company, social or employee event.
- (ii) Circumstances when gifts or entertainment may be accepted
- Employees may accept gift if the value is in line with accepted business practices and cannot be construed as improperly influencing their good business judgement.
  - In circumstances where it is impractical or inappropriate to refuse a gift or entertainment, or where refusal would cause offence or embarrassment or adversely affect the relationship of the Group with the person offering the gift, the employee(s) concerned may accept it and inform the HR Department via email (cc. Key executive of group entity) if the gift or entertainment is above S\$1,000 in value.
  - Upon receiving the notice from an employee, the HR Department shall gather from the employee and filled up information required in Appendix 1: Declaration of Gifts/ Entertainment Received” form
  - The HR Department must verify the contents of the Declaration Form, record the gift declared in a Gift Register and submit the Declaration Form to the key executive or director for endorsement. The key executive and/ or director will decide whether to allow the employee to retain the gift or otherwise.
- (iii) Guidelines for offering gifts or entertainment
- The Group develops relationships with clients/ investors and business associates on a foundation of mutual trust. The Group does not bribe or offer gifts for unethical or illegal purposes.

To ensure that offers of gifts or entertainment are appropriate, the following guidelines must be followed:

- All gifts or entertainment must be approved by a key executive and/ or director (where applicable) via staff claim form, sponsorship form or other documents.
- For gifts and entertainment of more than S\$1,000 in value, prior approval via email (at the minimum) must be obtained from the relevant key executive and/ or a director before the gift and entertainment is procured/ arranged.
- Gifts or entertainment offered must be in good taste and not of excessive value, as determined by accepted business practices.

## 1.5 Communicating with Regulators and External Parties

Queries from regulators should be answered truthfully. When in doubt, the employees shall consult the relevant key executive and/ or director before responding to the regulators.

Any employee served with legal documents that may implicate the Group or jeopardize his/ her position in the Group, must notify the key executive/ director of the group entity and/ or the CEO of the Company (attaching the legal document) immediately.

Press or media inquiries pertaining to the Company must be referred to the Investor Relations Team (comprising of Executive Directors and Executive Officers of the Company) immediately.

## **Privacy / Confidentiality**

### **1.6 Confidentiality, Customer Privacy and Data Security**

- (i) Employees must maintain the confidentiality of business information both during and after employment with the Group. This includes, but is not limited to the following:
  - Information about human resources and employee salary and benefits;
  - Contact list of customers and suppliers;
  - Business strategies and plans; and
  - Other proprietary information acquired during the course of the employee’s work.
- (ii) Employees must comply with applicable privacy laws and data security laws, as well as contractual requirements, when handling corporate information and business data.

## **Dealing in the Shares of Hoe Leong Corporation Ltd**

### **1.7 Securities Dealing**

Employees, while employed by the Group, may have access to internal information about the Group or other companies that has not been provided to the public. It is illegal for an employee to buy or sell or otherwise speculate in securities on the basis of the material non-public information. This type of illegal conduct is referred to as “insider trading”. Passing on or “tipping” material non-public information to someone who may buy or sell securities may also be a violation of applicable laws, by both the person who provides the information and the person who receives it.

A conviction for insider dealing carries with it a fine and/ or imprisonment under the Securities and Futures Act of Singapore.

## **Conflict of Interest**

### **1.8 Avoid Conflict of Interest – All Employees**

Employees must be sensitive to any activity, interest or relationship that may interfere or appear to interfere with the best interests of the Group. Employees must not knowingly permit themselves to be placed in a position where their interest could be perceived as in conflict with the Group.

Employees must not permit any business decision to be influenced, or seen as being influenced, by interests unrelated to the Group. A decision to transact business with any party must be based solely on business considerations.

Employees must maintain sound personal finance conditions and avoid any situation that may prevent them from carrying out the responsibilities to the best of their ability. Employees must not compete with the Group for business opportunities, render assistance to competitor(s) or direct business opportunities to competitor(s).

Any perceived, potential or actual conflict of interest must be brought to the attention of the key executive and/ or director. As it is not practical to describe every potential conflict of interest in this Code, Employees must exercise sound judgement and adhere to the highest ethical standards in the conduct of the both professional and personal affairs.

The HR Department shall determine employees whose position, job responsibilities and relationships that could give rise to conflict of interest and require these employees to make an ‘Annual Conflict of Interest Declaration’ (Appendix 2).

## 1.9 Avoid Conflict of Interest – Directors/ Key Executives

In discharging their fiduciary duties, all directors and key executives are expected to exercise independent judgement and make decisions objectively in the best interest of the Group.

A conflict of interest arises when the personal or business interests of the director/ key executive may potentially interfere with the performance of his/ her duties in the Group. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the director may be affected, which could impede the best interest of the Group.

Conflict of interest may also arise when the director/ key executive or his/ her family member (including spouse, parent, child and sibling) of his/ her associate (any company, partnership, trust or other entity owned or controlled by him/ her or in which the director has substantial personal interest) receives improper benefits as a result of the director/ key executive’s position with the Group.

When an actual, potential and perceived conflict of interest arises, the concerned director/ key executive must:

- Immediately disclose such conflict to the Executive Directors of the Company or Board of Directors of the Company (for directors of the Company), providing details of the interest and the nature of conflict;
- Recuse himself or herself from discussions and decisions involving the matter; and
- Abstain from voting on resolutions regarding the transaction or proposed transaction.

Notwithstanding of the requirement for interested or conflicted director/ key executive to recuse himself or herself from discussions and decisions, he/ she shall disclose relevant facts, which other directors may not be privy to and where it is lawful to do so, to better help other directors/ key executives to safeguard the interests of the Group.

When a severe conflict of interest arises and especially if it will continue for a prolonged period, the concerned director/ key executive and Executive Directors/ Board of Directors of the Company should consider whether it might be appropriate for the concerned director/ key executive to resign.

## **Non-compliance with the Code**

### 1.10 Non-compliance with this Code

Any employee who compromises or violates the provisions of this Code may be subject to disciplinary action, including termination of employment.

Examples of conduct that may result in disciplinary actions include:

- (i) Actions that violate this Code;
- (ii) Instigating others to violate this Code; or
- (iii) Failure to report or promptly report a known or suspected violation of this Code.

In all cases, it is the judgement of the Group and not the employee as to whether a particular action violates this Code.