

# CODE OF CONDUCT & BUSINESS ETHICS

Country Supplement:

**CHINA**

The MISC Code of Conduct and Business Ethics Country Supplement: China ("China Country Supplement") is a specific reference for use in the People's Republic of China ("PRC"); and for the purpose of this China Country Supplement, excludes Hong Kong, Macau and Taiwan. It does not describe all applicable laws or MISC policies, or give full details on any particular law or policy. It does not constitute legal advice. It does not constitute or create a contract of employment. MISC reserves the right to modify, revise, cancel or waive any policy, procedure or condition without revision of the Code. Moreover, the provisions of the China Country Supplement may be modified by MISC to adapt them to local laws and conditions.

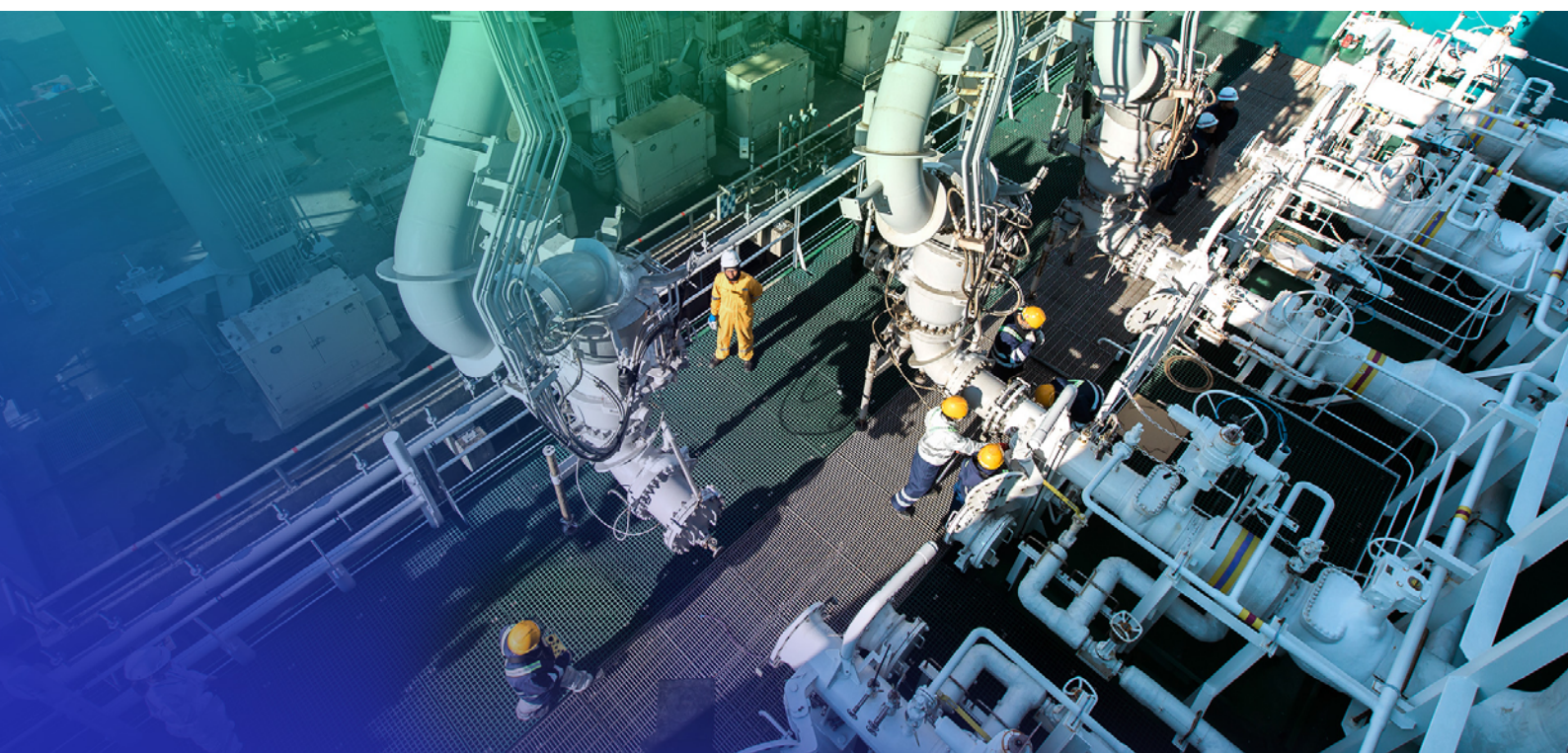
<b>Part I : Conduct Tending to Jeopardise Duty of Good Faith and Fidelity</b>	<b>3</b>
1. Serious Pecuniary Indebtedness	4
2. Borrowing Money	5
<b>Part II : Anti-Bribery and State Secret</b>	<b>6</b>
1. Anti-Bribery	7
2. State Secret	8
<b>Part III : Political Activities</b>	<b>10</b>
<b>Part IV : Workplace Culture and Environment</b>	<b>11</b>
1. Absence Without Leave or Without Reasonable Cause	12
<b>Part V : Disciplinary Process and Sanctions</b>	<b>13</b>

PART I  
**CONDUCT TENDING TO  
JEOPARDISE DUTY OF  
GOOD FAITH AND FIDELITY**

# Part I : Conduct Tending to Jeopardise Duty of Good Faith and Fidelity

## 1. Serious Pecuniary Indebtedness

- 1.1. For the purpose of this Section, the term “serious pecuniary indebtedness” means the state of an employee’s indebtedness which, having regard to the amount of debt incurred by him/her has actually caused financial hardship to him/her.
- 1.2. Serious pecuniary indebtedness from whatever cause will be regarded as necessarily impairing the efficiency and effectiveness of an employee.
- 1.3. An employee will avoid habitual indebtedness unless he/she proves that such indebtedness or insolvency is the result of circumstances beyond his/her control and does not result from extravagances or dissipation.



# Part I : Conduct Tending to Jeopardise Duty of Good Faith and Fidelity

## 2. Borrowing Money

- 2.1. You may borrow from banks or other institutions qualified to engage in lending business under Chinese law or incur debt through acquiring goods by means of hire purchase agreements or other arrangements, provided that:
  - a) such banks or other qualified institutions from which you borrow are qualified to engage in the lending business in China;
  - b) such borrowings do not lead to public scandal or be subject to construal that you have abused your position for your private advantage; or
  - c) the aggregate of your debts does not or is not likely to cause you serious pecuniary indebtedness as defined under Section 1.
- 2.2. Save as described in Section 2.1. above, you may not borrow from any other person engaged in the business of money lending unless such entity or person is legally permitted to engage in such business.





PART II  
**ANTI-BRIBERY &  
STATE SECRET**

# Part II : Anti-Bribery & State Secret

## 1. Anti-Bribery

You should refer to the CoBE for the MISC requirements in relation to anti-bribery matters.

- 1.1. For the purpose of Paragraph 12, Part IIB of the CoBE, "public official" in the context of China includes a person who performs public functions in:
  - a) a state organ;
  - b) an organisation which is authorised by the state organ;
  - c) a State-owned Enterprises ("SOE"), State institution or people's organisation;
  - d) a non-State-owned corporation, enterprise, institution and social organisation to which the person is dispatched by the State organ, SOE, or State institution.

Performing "public functions" means engaging in activities such as organising, leading, supervising or managing public affairs. For example, directors, managers, supervisors, accountants and cashiers are performing public functions when they are managing and supervising State-owned assets.

An enterprise will be considered as a SOE if it meets one of the following conditions:

- a) it is wholly owned by the State;
- b) the State owns more than 50% of the enterprise directly or indirectly;
- c) the State owns less than 50% of the enterprise but is still the controlling shareholder of the enterprise.

# Part II : Duties of Good Faith, Fidelity, Diligence & Integrity

## 2. State Secret

- 2.1. According to the PRC Law of Guarding State Secrets and other relevant regulations, you should refrain from soliciting any State Secret (as defined below in Section 2.2.) from any third party for any business or private purpose. If you are approached with an offer of State Secret, you must notify the Human Resource Department of your Company and may not communicate any information in respect of such offer to anyone without the prior approval of the Human Resource Department of your Company.
- 2.2. For the purpose of this Section, a State Secret means any matter which has bearing on national security and national interests of China and, as specified by legal procedure, is entrusted to a limited number of people for a given period of time. Typical examples of State Secret include without limitation confidential information in relation to:
  - a) production forecasts for SOEs in the resources sector;
  - b) information in respect of SOEs' contractual negotiating position in any sector;
  - c) potential large scale construction contracts which have not been made public (e.g., building large scale highways, railways, dams etc.);
  - d) geological and oceanographic surveys of land or sea areas which, according to the Chinese government, are subject to Chinese sovereignty or under which a claim has been made (e.g., South East China Sea);
  - e) any new undersea mineral exploration technology (e.g., Seismic surveying) under research and development by any SOE; or
  - f) any technology which is capable of application in relation to China's national defense, for example communications equipment, radar, aerospace technology etc.
- 2.3. If you are unsure as to the status of the information being received, you are required to consult with the Human Resource Department of your Company. You should not assume that information about China is not a State Secret simply because that information is available publicly in other jurisdictions or obtained from a private or non-Chinese source.





PART III  
**POLITICAL ACTIVITIES**

## Part III : Political Activities

Employees who wish to work as a public servant, in the context of China, are required to resign from MISC.

For the purpose of this Part III, “public servant” means a worker who performs official duties according to law, is member of the administrative establishment of the State, and whose salary and welfare benefits are paid by the government.



PART IV  
**WORKPLACE CULTURE &  
ENVIRONMENT**

# Part IV : Workplace Culture & Environment

## 1. Absence Without Leave or Without Reasonable Cause

- 1.1. An employee who is absent will, at the earliest opportunity, inform the officer of MISC to whom he/she reports of his/her absence and the cause for his/her absence.
- 1.2. You should refer to your Human Resource Department for the applicable policy, procedures and guidelines for absenteeism applicable to your company as amended from time-to-time.





PART V  
**DISCIPLINARY PROCESS &  
SANCTIONS**

## Part V : Disciplinary Process & Sanctions

You should refer to your Human Resource Department for the applicable disciplinary process and sanctions applicable to your company as amended from time-to-time.





## **MISC BERHAD (MISC)**

196801000580 (8178-H)

**Legal, Corporate Secretarial & Compliance**

Level 27, Menara Dayabumi  
Jalan Sultan Hishamuddin  
50050 Kuala Lumpur,  
Malaysia



<https://www.miscgroup.com>