

## CODE OF CONDUCT

Amazon Papyrus Chemicals Ltd believes that honesty, integrity and fairplay are important company assets in business. It is therefore important for all of you to ensure that the company's reputation is not tarnished by dishonesty, disloyalty or corruption. The following guidelines set out the standards of behaviour expected and explain how you should respond to different situations in business dealings:

### A. Compliance Function Facilitating Ethical Culture

In the context of developing an ethical culture, we expect compliance with our standard of integrity throughout the Company. The responsibility of compliance does not only fall on the management. It should diffuse to the rest of the Company.

### B. Bribery, illegal gifts, entertainment and commissions

- 1) **Prevention of Bribery Ordinance:** The Prevention of Bribery Ordinance prohibits bribery and sets out the minimum standards of integrity for employees when they are conducting the Company's business. In the event that employee considers that an approach being made contravenes this Ordinance or other relevant legislations, the case should be reported to Human Resources Department through the department head.
- 2) **Advantage:** The term "advantage" is defined in the Ordinance and includes gift, commission, loan, fee, reward, office, employment, contract, service or favour.
- 3) **Soliciting Advantages:** It is the policy of the Company to prohibit staff from soliciting any advantages from clients, suppliers or any person in connection with the Company's business.
- 4) **Accepting Advantages:** Staff should decline advantages offered in connection with their duties if the acceptance of advantages could affect their objectivity or induce them to act against the Company's interests or lead to complaints or bias. Staff could consider accepting voluntarily given advantages only if:
  - The acceptance will not influence your performance;
  - You will not feel obliged to do something in return for the offeror;
  - You are able to openly discuss the acceptance without reservation; and
  - The nature (e.g. advertising or promotional gift, customary gift given during festive occasions) and the value of the advantage are such that refusal could be seen as unsociable or impolite. Please consult with your Manager before accepting it.
  - You should declare to your Managers if the gift value is exceeded USD100 through "Report on Conflict of Interest Form"

In case of doubt, you should refer the matter to the Human Resource Department for advice and instructions.

- 5) **Offering Advantages:** Under no circumstances shall employees offer bribes or similar considerations to any person or company for the purpose of influencing such person or company in obtaining or retaining business for, or directing business to the Company. Any

commissions paid or payments made, or favourable terms conceded, or other advantages given by any employee in the conduct of the Company's business shall be in accordance with the Company's prevailing policies on such matters and prior written approval should be obtained from the respective Department Head. Prior written permission from the company has to be sought before an advantage is offered. Records of such commissions paid or payments made shall be kept by Human Resources Department.

- 6) Entertainment:** Entertainment refers to the provision of food or drink for consumption on the occasion when it is provided and of any other entertainment connected with, or provided at the same time as, such provision. While entertainment is an acceptable form of business and social behaviour, employees shall turn down invitations to meals or entertainment that are excessive in nature or frequency, so as to avoid embarrassment or loss of objectivity when conducting the Company's business. If it is impolite to decline an invitation, employee might accept on the understanding that he/she will be allowed to reciprocate.

### C. Conflict of interests

A "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with the interests of the Company. Anything that would present a conflict of interest for an employee would likely also present a conflict of interest if it is related to a member of his or her family. Conflicts of interest are prohibited as a matter of Company policy, unless they have been approved by the Department Head in conjunction with Human Resource Department. Employees shall at all times ensure that their dealings with customers, suppliers, contractors and colleagues do not place them in a position of obligation that may lead to conflict of interests.

#### 1) Outside Employment

Employees shall not take up concurrent employment, either on a regular or consultant basis. Application for outside employment shall be sent to respective department head for consideration and then passed to the Human Resource Department for final approval.

#### 2) Use of Proprietary Information

Employees are not allowed at any time to disclose any proprietary information to anybody outside the Company without permission. Such information may relate to all aspects of the Company's operations. Employees who have access to or are in control of the proprietary information must at all times provide adequate safeguards to prevent its abuse or misuse.

#### 3) Financial Transactions

Employees or their immediate family members shall not grant or guarantee a loan to, or accept a loan from or through the assistance of any individual or organization having business dealings with the Company. There is, however, no restrictions on normal loans from banks or financial institutions.

#### **4) Business Engagement between Employees and Relatives**

In case where employee or his/her immediate family might have engaged or considered engaging in business, investments or activities that might have existing or potential conflict with the Company's interest, it is the responsibility of employee to make full disclosure in writing for approval by the Department Head in conjunction with the Human Resource Department in the case of an employee, before having any business dealing in relation to the Company.

#### **5) Misuse of the Company's Assets**

Appropriation without authorization of any properties of the Company, including those allocated to employees for their business or personal use is a crime of theft and the relevant employee is liable to dismissal and prosecution. Any acts of infringement of the Company's intellectual property rights shall not be tolerated. Appropriate enforcement action will be instigated against the infringer.

#### **6) Gambling**

Employees are advised not to engage in frequent or excessive gambling of any kind, including games of mahjong, with persons having business dealings with the Company, such as customers, suppliers, contractors, etc. as well as among colleagues, particularly with subordinates. Gambling of any form on the Company's premises is strictly forbidden.

### **D. Relationship with suppliers, contractors and interfacing parties**

#### **1) Procurement Process**

The Company adopts a fair and competitive policy in its procurement activities.

Procurement activities shall be based on the following principles:

- Impartial selection of capable and responsible suppliers and contractors;
- Effective use of competition;
- Selection of appropriate contract types according to needs;
- Compliance with laws, relevant regulations and contractual obligations; and
- Adoption of an effective monitoring system and management controls to detect and prevent bribery, fraud or other malpractices in the processes of procurement.

#### **2) Prohibition of Bribery and Corruptive Practices**

It is the policy of the Company to prohibit bribery and corruptive practices. Employees are required to follow the Company policy on the acceptance of advantages. Under no circumstances shall they be permitted to use insider information for their own private gains. Those involved in the selection of suppliers, contractors and consultants, and the procurement of goods and contracts shall avoid misuse of authority or engaging in situations which could interfere, or appear to interfere, with their ability to make unbiased decisions at all stages of the procurement process.

### **3) Payment Procedures**

The Company operates transparent processes and procedures for the contract administration and payment of suppliers and contractors. Employees involved in these processes and procedures are required to act professionally and reasonably having regard to the proper interpretation of the terms of contract. The Company's policy is to properly value and pay its suppliers and contractors for the goods, contracts and services delivered and accepted no later than the time set out in the contract.

## **E. Employees Responsibilities**

### **1) Disclosure of Information**

Employees take the appropriate steps regarding the company information disclosures with the goal of making proper, fair, accurate, timely and understandable disclosure to third parties.

### **2) Accounting Policies and Practices**

It is the policy of the Company to maintain complete and accurate records and accounts. All accounting records and reports produced from them shall be kept and presented in compliance with all applicable laws and professional accounting standards. It is the unequivocal position of the Company that no false, artificial or misleading statements or entries shall be made in the Company's books, accounts, records, documents or financial statements.

### **3) Insider Dealing**

The Company will not tolerate the use of unpublished price-sensitive information by employees for securing an advantage for themselves or others. The use of insider information for personal gain is illegal, unethical and strictly prohibited.

## **F. Health and safety**

The Company is committed to ensuring the health, safety and welfare of its employees. The Company shall comply with all occupational health and safety legislations and provide all employees with a safe working environment. The Company is committed to consistently meeting statutory requirements, maintaining a safety-first culture to achieve safety goals for continuous improvement in safety performance in all aspects of the business. The Company prohibits the illegal/unauthorised provision, possession or abuse of drugs and alcohol in the workplace. Possession, use, distribution or sale of alcoholic beverages on company's premises is not allowed without prior approval of the appropriate senior management. Alcoholism and drug dependence that may affect work performance shall not be tolerated.

## **G. Monitoring of compliance & the means of enforcement**

### **1) Compliance with the Code of Conduct**

It is the responsibility of every employee to understand and comply with the Code of Conduct as well as our customers' Code of Conduct and Gift Policy. All managers shall also in their daily supervision ensure that their subordinates understand well and comply with the standards and requirements stated in the Code of Conduct. All employees are required to certify for compliance on a periodic basis.

### **2) Violation of the Code of Conduct**

The Company shall not tolerate any illegal or unethical acts. Anyone violating the Code of Conduct shall be subject to disciplinary action, including termination of employment without compensation for serious breaches and offences.

### **3) Reporting of Malpractices**

The Company shall take a serious stance on all reported malpractices. Channels for reporting malpractices in relation to the Company are open to all suppliers and contractors, customers and employees. Employees having information regarding any actual or planned prohibited or unlawful act by the Company or of any existing or potential violation of the Code of Conduct shall report such matter to one or more of the following parties as they consider appropriate:

- Respective department heads
- Human Resources Department

Employees are encouraged to reveal their identity in reporting malpractices. The Company shall make every effort to protect confidence of the employees and the information received. All reports shall be considered in an impartial and efficient manner. Alleged unlawful and unethical conduct shall be investigated promptly.

## CONFLICTS OF INTEREST

It is your primary responsibility to work in the best interest of Amazon Papyrus Chemicals. You must avoid all conflicts between the best interests of Amazon Papyrus Chemicals Ltd and your own personal relationships or interests at all times.

### Preventing conflicts of interest

The Company reviews all disclosed potential conflicts of interest to determine if there is a significant risk of affecting an employee's business judgment. If such a risk is found, the Company will determine what additional actions the employee or the Company must take.

### Some conflicts of interest

The activities and interests listed here are some of the conflicts of interest, or potential conflicts of interest that should be disclosed for you and your family. It is up to you to disclose any other personal, business or other interest that may interfere or even just appear to interfere with your business responsibility to Amazon Papyrus Chemicals Ltd. But you must disclose to the company if the suppliers or contractors offer the followings:

- Commissions or any other personal benefit from any person or business involved in any transaction with the Company.
- The offering from a current or would be supplier, customer or competitor of Amazon Papyrus Chemicals Ltd: entertainment, meals, gifts, discounts, services, transportation or favors.

### Defining "You" and Your "Family"

"You" includes you and your immediate family (defined as your spouse, children, parents, parents-in-law, brothers and sisters), as well as any person or entity you control or in which you have a substantial ownership interest. For example, if you do know that your adult family owns a contracting company that provides Amazon Papyrus Chemicals Ltd with a service, you need to let us know. The Company may decide that it would be best if you were not the employee deciding whether to use that supplier or contractor.

### Disclosing and addressing potential conflicts of interest

The Company holds you to your responsibility to disclose, in writing, any personal, business or other relationship that could potentially affect your business judgment. Certain types of conduct present an obvious danger of affecting your business judgment and therefore are always prohibited. One example is soliciting or accepting money for your personal benefit from a supplier of Amazon Papyrus Chemicals Ltd. Therefore, any form of bribery (whether for your personal benefit, or for the benefit of the Company or any third party) is strictly prohibited, not only because it is a conflict of interest, but because it is illegal. You are required to follow all applicable laws, rules and regulations in carrying out your work.

If you have conflict of interest, you must promptly disclose it.

### Disclosure Procedure

You should disclose any conflict of interest to HR Department via "Report On Conflict of Interest Form".

You should also update and re-submit your disclosure any time your disclosures change. You are responsible for knowing and complying with all policies applicable to you.