



# **CH OFFSHORE LTD & SUBSIDIARIES**

(collectively “CH Offshore Group” or “Group”)

## **CORPORATE OPERATING PROCEDURES**

## **CODE OF CONDUCT POLICY AND PROCEDURES**

Revision	Date	Remarks	Document and Revision number	Prepared	Approved
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This is a Controlled Document

All queries, suggestions, interpretation, clarification or change request shall be addressed at the first instance to the Corporate Department.

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## 1.0 PURPOSES

This Code of Conduct (“Code”) addresses many of the ethical and legal issues that we encounter. Unfortunately, it is impossible to anticipate or predict every ethical or legal issue that may arise. The Code, therefore, serves as a reference tool that guides us to the Company’s policies, as well as to important laws and regulations, to help ensure our actions and behaviours meet the Company’s expectations.

## 2.0 SCOPE

This procedure applies to Directors and all CHO Group employees, including contract staff.

## 3.0 ETHICAL STANDARDS – GUIDING PRINCIPLES

Knowing “the right thing to do” is sometimes difficult. Not all issues are clear cut. When confronted with a situation that you do not think is covered by a specific section of the Code, ask yourself the following questions:

- Is the action legal?
- Does it comply with our guiding principles of acting honestly, ethically and respectfully?
- If you do it, will you feel guilty?
- Would you be embarrassed to tell your family what you did?
- How would you feel if the local news reported about the action?

If the answer to any of these questions makes you uneasy or if you become aware of a situation that raises ethical concerns, raise it to your HOD. If you are uncomfortable talking about the issue, you can use the anonymous reporting systems provided by the Company (see Reporting Concerns, below).

If any doubt exists about whether a course of action is lawful, you should immediately seek advice from your Head of Department.

### 3.1 Violation of Code

Violating the standards in this Code will result in disciplinary action, up to and including termination of employment.

### 3.2 Compliance with Laws, Rules and Regulations

As an employee of the Company, you are expected to understand and comply with all laws, regulations, and company policies that apply to your job position.

### 3.3 Compliance to HSE Policies and Procedure

You are expected to observe 100% compliance to the HSE policies and procedures established by the Company and spelt out in the Company Health, Safety and Environmental Management System (“HSEMS”) at all times.

The HSE policies and procedures can be found in the common drive: Share5 (\\OPSERVER2) (R:)\QHSE Department\02) Company Manuals\01) HSEMS



### 3.4 Anti-Corruption

Bribes to governmental officials are not permitted and may be illegal under applicable laws, including Singapore's Bribery Prevention Act. It is against Company policy to directly or indirectly promise, offer or provide anything of value to a governmental official in order to obtain or retain business.

### 3.5 Conflict of Interest

3.5.1 Employees have an obligation to conduct business in a manner which avoids actual or potential conflict of interest. Employees must not directly or indirectly attempt to influence any decision of our company in order to derive a personal or financial benefit.

3.5.2 A conflict of interest exists when an individual's duty of undivided commercial loyalty to our company is or is perceived to be prejudiced by:

- (i) that person's personal gain, or gain to immediate family (or a person with whom the person has a close personal relationship)\*, whether financial or otherwise; or
- (ii) the commitments and obligations that person owes to another person or body.

3.5.3 For the purpose of this policy, 'immediate family' is defined as follows: spouse or civil partner, son, daughter. However, the 'close personal relationship' giving rise to an interest could extend to the following (this is not intended to be an exhaustive list): unmarried partner, parent, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, the (unrelated) child of an unmarried partner, as well as half and step members of family

3.5.4 There can be situations in which the appearance of conflict of interest is present even when no conflict actually exists. Thus it is important for all employees when evaluating a potential conflict of interest to consider how it might be perceived by others.

3.5.5 The duty to declare a possible conflict applies to the perception of the situation rather than the actual existence of a conflict. However, the duty is not infringed if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

3.5.6 Conflict of interest may be financial or non-financial or both. Further information about both types is set out below.

#### **Financial conflict of interest**

3.5.7 A financial conflict of interest, for the purposes of this Policy, is one where there is or appears to be opportunity for personal financial gain, financial gain to close relatives or close friends, or where it might be reasonable for another party to take the view that financial benefits might affect that person's actions.

3.5.8 Financial interest means anything of monetary value, for example: payments for services; equity interests (e.g. stocks, stock options or other ownership interests); and/or intellectual property rights (e.g. patents, copyrights and royalties from such rights).

3.5.9 The level of financial interest is not the determining factor as to whether a conflict should be disclosed. What might be 'not material' or 'not significant' for one person might be very significant for another. Good practice in many situations will mean the disclosure of 'any' financial interest, however small. A conflict will arise if the interest might provide, or be reasonably seen by others, to provide an incentive to the individual which affects their actions and where he or she has the



opportunity to affect a Company's decision or other activity (because for example he or she is the decision-maker).

- 3.5.10 Employees should not solicit or accept salaries, fees, commissions or any other types of compensation from any individual or organization that conducts or seeks to conduct business with our company or one of our competitors.
- 3.5.11 Employees should not make a loan or extend credit to or receive a loan or credit from those who deal with our company.

**Non-financial conflicts of interest**

- 3.5.12 Non-financial interests can also come into conflict, or be perceived to come into conflict, with a person's obligations or commitments to the Company. Such non-financial interest may include any benefit or advantage, including, but not limited to, direct or indirect enhancement of an individual's career, education or gain to immediate family (or a person with whom the person has a close personal relationship).
- 3.5.13 Conflict of interest may result directly through your activities or indirectly through the activities of an immediate family member, a person sharing your household or a person with whom you are associated. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative or immediate family member or a person with whom the employee is associated to as a result of CH Offshore business dealings.
- 3.5.14 Employees should refrain from participating in any private business or professional activity or have any direct or indirect financial dealing that would create a conflict between your private interests and your responsibilities to our company.
- 3.5.15 Employees should actively avoid any outside activities that may raise a reasonable concern or make it difficult to perform your work objectively and effectively.
- 3.5.16 Employees may not serve on a board of directors or as a trustee or on a committee of any entity (whether for profit or not-for-profit) whose interests reasonably could be expected to conflict with those of our company.

**Procedures**

- 3.5.17 It is the duty of every employees to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of conflict of interest. Apparent or perceived conflict of interest can be as damaging as actual conflict of interest.
- 3.5.18 Disclosure should be made at the time the conflict first arises, or it is recognized that a conflict might be perceived, in writing (example via email) to the Head of Department (or equivalent). If the Head of Department (or equivalent) has an interest in the matter to be discussed, the disclosure shall be made to the person at the next higher level of authority.
- 3.5.19 Employees who are involved in suppliers sourcing must disclose their relationships or dealings with the proposed supplier that give rise or might reasonably give rise to the perception of conflict of interest. The disclosure should be made on the supplier requisition form so that the procurement manager can make an informed decision.
- 3.5.20 Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held in the department's records.



- 3.5.21 Some instances will however need to be dealt with by agreeing how the conflict can be actively managed. The approach adopted should be documented and copies provided to the relevant parties and the respective department heads. A copy of the final plan must be held in the department's records. One or more of the following strategies may be appropriate to manage the conflict of interest:
- (i) not taking part in discussions of certain matters;
  - (ii) not taking part in decisions in relation to certain matters;
  - (iii) referring to others certain matters for decision;
  - (iv) resolving not to act as a particular person's supervisor;
  - (v) divesting or placing in trust certain financial interests;
  - (vi) publishing a notice of interest;
  - (vii) standing aside from any involvement in a particular project; and/or
  - (viii) declaring an interest to a particular sponsor or third party.
- 3.5.22 It is the responsibility of those affected and the respective department heads to comply with the approach that has been agreed.
- 3.5.23 Any unresolved matter shall be referred to the CEO.

### **3.6 Accurate Books and Records**

Accurate and complete records of all business transactions must be kept. Reasonable systems of internal controls must be maintained to ensure that the Company's assets are not improperly used or diverted. No payments may be approved or made if any portion of the payment is to be used for any purpose other than that described by the supporting documents. Supporting documents include invoices, purchase orders, expense reports and all other documents submitted to the Company in order to process a payment.

### **3.7 Equal Employment Opportunity, None Discrimination and Prohibition on Harassment**

All employment decisions in the Company are based on merit, qualifications and abilities of the candidate. The Company employment processes are aligned towards providing equal employment opportunities to all deserving candidates. Every supervisor is responsible for ensuring that this goal is practiced in his or her area of supervision. HR department and every supervisor must be familiar with CHO Recruitment Policy.

The Company also strongly believes in zero tolerance to discrimination in the workplace. Workplace behaviour, course programs and sponsorships, including decisions on hiring, promotion, discipline, termination and all other terms and conditions of employment, are made without discrimination on the basis of race, colour, religion, sex, nationality, age, disability, marital status or sexual orientation.

No person should be subject to retaliation for seeking a review of a complaint of discriminations, for participating in an investigation of such a complaint, or for seeking redressal for discrimination.

All employees have the right to work in a harassment-free environment. "Harassment" may include unwelcome conduct or misconduct, whether verbal, physical or visual. The Company will not permit harassment of its employees based on any diverse status. All managers and supervisors are responsible for preventing and eliminating harassment.

### **3.8 Economic Sanctions**

The Company must comply with all applicable sanctions regulations that apply to doing business with or in certain foreign countries. For example, the United Nations from time-to-time imposes restrictions on commercial and economic activities in certain countries. The Republic of Singapore and other applicable jurisdictions may make it unlawful of us to do business in certain countries or



with certain designated persons. It is the Company's policy to strictly comply with the laws of the Republic of Singapore or other applicable jurisdictions.

### **3.9 Electronic Communications**

Computer equipment and software, including hand phones, issued by the Company are the property of the company and are provided to conduct business. While one may use the Company's computers and systems to email about incidental personal matters, privacy in these communications would not be guaranteed.

The use of the Company's Internet should be limited to business related purposes, with only incidental and limited personal use permitted. The Company's Internet shall not be used for any of the following prohibited activities:

- (i) Accessing or downloading pornographic or indecent material
- (ii) Gambling
- (iii) Soliciting for personal gain or profit
- (iv) Purposefully interfering with the work of other employees
- (v) Downloading or uploading software in violation of its copyright or without the authorization of the Information Technology Department
- (vi) Making or posting indecent or improper remarks or proposals
- (vii) Transmitting or posting inappropriate jokes or material that may be offensive or embarrassing to others

### **3.10 Fair Competition**

The Company strives to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is strictly prohibited.

All employees must respect the right of, and deal fairly with, our customers, vendors, competitors and other fellow employees. Taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice would not be condoned.

### **3.11 Gifts, Meals, Travel and Entertainment**

Gifts, meals, travel and entertainment could potentially be used to inappropriately influence business decisions or government officials (which includes employees of national oil companies). All gifts, meals, travel or entertainment given or received by Company employees must be consistent with widely accepted and customary business practices and be of such a nature that public disclosure of all related facts would not embarrass the individual or the Company. All gifts, meals, travel or entertainment involving governmental officials must comply with applicable law and be pre-approved by the CEO.

### **3.12 Insider Trading**

Insider trading is against the law of the Republic of Singapore, Singapore Stock Exchange Listing Rules and against the Company's policy.

A director or employee is not allowed to deal in CHO's shares during the period beginning two weeks before the announcement of the quarterly, half-yearly or yearly results and ending on the date of announcement of the results. Corporate Department would circulate the trading restriction reminder prior to the trading black-out period.



A director or employee should not trade in CHO's shares at all times, whether is inside or outside the said two-week window period if he is in possession of material non-public information. As a general rule, material non-public information includes information such as:

- (i) Unreleased earnings or financial statements
- (ii) Potential mergers, acquisitions or vessel construction projects
- (iii) Potential purchases or sales of vessels
- (iv) Potential dividend announcements

In addition, a director or employee should not deal in CHO shares on short term considerations.

Corporate department would monitor/track insider trading using the monthly shareholders' listing report.

### **3.13 Safeguarding Confidential Information**

Employees are personally obligated to protect the Company's confidential information. Confidential information is generally any material, non-public information.

Non-disclosure Agreements must be signed with third-party such as a vendor, supplier, or business partner, if material, non-public information need to be disclosed to them. Employees must never share confidential company information without the approval of the respective HOD and without a non-disclosure agreement in place.

In addition, always limit the amount of confidential information shared to the minimum level required to address our business interest.

Only CEO / MD (CHO Ship Management Pte. Ltd.) or Executive Director who have been specifically designated with authority may sign a non-disclosure agreement with a third-party.

### **3.14 Social media**

The right to express yourself on the internet must be weighed with the consequences of writing inappropriate or offensive matters. When posting about the Company or Company related matters, full identity must be disclosed. Make it clear that your opinions are your own and it does not in any way reflect the opinions of the Company.

Comments that can be interpreted as demeaning, inflammatory, racist, etc. must be avoided. Anything posted online has a tendency to go viral and will remain online for a very long time. Consider how it will reflect on oneself and also on the Company. While posting online, one must be responsible, accountable and answerable for the consequences.

## **4.0 EMPLOYEES' RESPONSIBILITIES**

Maintaining our commitment to ethics and compliance is a team effort – a commitment which has clear expectations for all employees. Our obligations, as employees extend beyond simply knowing what is included in our Code of Ethics and Conduct. We must all:

- (i) Speak up and report any known or suspected violations of our Code, applicable laws or regulations, or our Company policy
- (ii) Use good judgment, and
- (iii) Be honest, transparent, and proactive in cooperating with all audits and investigations, both external and internal.





## 5.0 LEADERS' RESPONSIBILITIES

Supervisors and managers have critical responsibilities regarding their conduct and behaviour. Our company depends on our leaders to model ethical decision-making and sound integrity in daily activity. As a leader, you are expected to:

- (i) Lead by example
- (ii) Create a work environment that focuses on building relationships, recognizes efforts, and values open communication
- (iii) Demonstrate ethical leadership through your actions and communication
- (iv) Communicate to employees about this Code and applicable ethics and compliance policies
- (v) Be proactive – seek out opportunities to address ethical and compliance challenges
- (vi) Build an environment where everyone feels comfortable asking you questions and reporting potential violations of this Code and related policies, and
- (vii) Never ask someone else or pressure them to do something that is inconsistent with this Code or our Company's values.

We will not tolerate retaliation against an employee who makes a report about potential issues or speaks up about potential challenges. Leaders will be held accountable for embodying our company values and treating employees with dignity and respect.

## 6.0 SPEAKING UP

All of us occasionally encounter difficult situations or choices at work. Everyone makes mistakes from time-to-time. While nobody is perfect, raising your concerns or mistakes immediately helps all of us retain and build trust. If you have concerns, never hesitate to stop what you are doing and talk to your supervisor. If after speaking with your supervisor, you still have concerns, please contact anyone listed below or report your concerns. You may also follow the Whistleblowing Policy and contact the below

Email : [whistleblowing@choffshore.com.sg](mailto:whistleblowing@choffshore.com.sg)

Or

**Chairperson of the Audit Committee**

Mr Thia Peng Heok, George

Mobile : +65 9819 2298

Email : [george.thia@choffshore.com.sg](mailto:george.thia@choffshore.com.sg)



Offshore employees (Vessel crew) are also encouraged to write to the following email address:

[we-care@choffshore.com.sg](mailto:we-care@choffshore.com.sg)

Attention to:

**Dr Benety Chang**  
Chief Executive Officer

Or

**Mr Kenny Lim**  
Managing Director (CHO Ship Management Pte. Ltd.)

Our Company policy strictly prohibits retaliation against anyone who makes a report in good faith about a problem or concern.



## 7.0 RECORD OF CHANGES

No.	Date	Revision No.	Revision Detail / description	Signature
1	01.12.2018	1	Updated of New Management and office address/contact	Dr Benety Chang
2	06.11.2019	2	Change of we-care email Key contact Person	Jeanette Chang
3	15.01.2020	3	Change of this policy from "HR Policy" to "Corporate Policy"	Jeanette Chang
4	15.01.2020	3	Scope of policy expanded to include Directors	Jeanette Chang
5	06.02.2020	4	Update email address of AC Chairperson	Jeanette Chang
6	30.11.2020	5	Update recipients of "we-care" group email	Jeanette Chang
7.	18.02.2021	6	Editorial updates to clause 3.3 - Compliance to HSE Policies and Procedure. Changed the terms "HSSE" to "HSE" and "HSSEMS" to "HSEMS"	Jeanette Chang
8.	18.02.2021	6	"we-care" group email – update designation of Mr Kenny Lim to MD of CHO Ship Management Pte. Ltd	Jeanette Chang