

FJ BENJAMIN

CORPORATE **CODE** of **ETHICS**

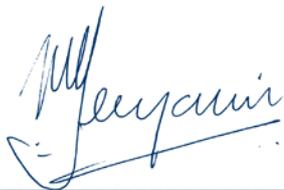
CORPORATE CODE OF ETHICS

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1. EXECUTIVE CHAIRMAN AND COMPLIANCE / INTERNAL AUDIT STATEMENT

Our success over 46 years has come from our strong sense of identity, objectivity of thought and accountability for results in pursuit of excellence.

This Code of Ethics will serve to further reinforce our values and instill in us our duties and obligations to each other, to our shareholders, principals, business partners and, of course, our customers.



Frank Benjamin
Chairman and Chief Executive
F J Benjamin Holdings Ltd.



Michael Er
Regional Compliance & Internal Audit
F J Benjamin Holdings Ltd.

2. OUR VALUES

- 2.1 We aspire to be the most distinctive and responsive organisation with the highest quality standards in all our undertakings. We lead by example whilst maintaining a strong sense of our identity, objectivity of thought and accountability of results in pursuit of excellence.
- 2.2 We endeavour to enhance shareholder value over the medium to long term.
- 2.3 We continually strive for an environment of resilience through professionalism, commitment and sound business practices. We are proactive, resourceful and entrepreneurial and aspire to continuously inspire and motivate ourselves and our desire to learn and progress in a competitive environment.
- 2.4 We constantly aspire to build and enrich each brand under our care but always in cognizance of the highest quality standards that are consistent with the brand's legacy and image. We aspire to long-term relationships with principals which are a testimonial of our integrity and commitment to our business partners.
- 2.5 We endeavour to provide customer service excellence, extending beyond geography and product, enhancing the entire shopping experience.

3. MONITORING AND ENFORCEMENT

3.1 *Understanding and Complying with the Code of Conduct*

- 3.1.1 It is the personal responsibility of every director and employee to understand and comply with this Code of Conduct.
- 3.1.2 Where required under this Code of Conduct, employees and directors must seek clearance and consent from their immediate superiors. Functional managers should, in their day-to-day supervision, ensure that their subordinates understand and comply with the standards and requirements stipulated in this Code of Conduct.
- 3.1.3 Channels of complaint are open to all shareholders, customers, suppliers and contractors, as well as all directors and employees of the Company. Complaints and queries can be emailed directly and on a confidential basis to the Regional Compliance and Internal Audit at compliance@fjb.com.sg.
- 3.1.4 The Company will consider all complaints impartially and efficiently. Unlawful or unethical conduct will be investigated thoroughly. All information received will be kept confidential.

- 3.2 ***Violation of the Code of Conduct*** - Any violation of the Code of Conduct may result in disciplinary action, including summary dismissal without payment in-lieu of notice. In cases of suspected corruption or other forms of criminal act, the Company may report such conduct to the appropriate authorities.

4. PERSONAL CONDUCT OF DIRECTORS AND EMPLOYEES

4.1 Directors and employees are expected to conduct themselves in a professional manner at all times. Company rules and regulations are to be observed at all times. Directors and employees should refer to the *E-Employee Handbook* hosted on the F J Benjamin Intranet. Directors must also refer to the *Code of Corporate Governance* of the Singapore Stock Exchange, which the Company has adopted.

4.2 The Company believes that honesty, integrity and fair play are extremely important assets in its business. All directors and employees of the Company must ensure that the Company's reputation is not tarnished by dishonesty, disloyalty, corruption or inappropriate behaviour. To this end:

4.2.1 **Soliciting Advantages** - It is the policy of the Company to prohibit directors or employees to solicit any advantage, whether directly or indirectly, from clients, suppliers or any person in connection with the Company's business. The term "Advantage" includes gift, loan, fee, reward, office, employment, contract, service and favour.

4.2.2 **Accepting Advantages** - Directors or employees should decline advantages offered in connection with their duties if the acceptance of such advantages could affect their objectivity or induce them to act against the Company's interests or lead to complaints of bias. Directors or employees may consider accepting voluntarily given advantages only if:

4.2.2.1 the acceptance will not influence the performance of the recipient;

4.2.2.2 the recipient will not feel obliged to do something in return for the offeror;

4.2.2.3 the recipient is able to openly discuss the acceptance without reservation; and/or

4.2.2.4 the nature of the advantage is such that refusal could be seen as being unsociable or impolite (eg. advertising or promotional gifts and commercial samples of low or no commercial value such as calendars, diaries and stationery items, not exceeding S\$50 in value).

In case of any doubt, the recipient should refer the matter to the HR department for guidance.

4.2.3 **Offering Advantages** - Under no circumstances may an employee or director offer advantages 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 director or employee in the conduct of the Company's business should be in accordance with the Company's prevailing policies on such matters and should have obtained the prior written approval of the Company.

4.2.4 **Entertainment** - Although entertainment is an acceptable form of business and social behaviour, directors or employees should turn down invitations to meals or entertainment that are excessive in nature or frequency, so as to avoid loss of objectivity when conducting the Company's business.

If it is impolite to decline an invitation, the director or employee might accept, on the understanding that he be allowed to reciprocate, and provided that the invitation and resulting cost is objectively reasonable. Entertainment bills must be paid by the highest office bearer present and the reimbursement claim must be approved by a higher authority than the person submitting the claim.

- 4.2.5 **Use of Confidential and Proprietary Information** - Directors and employees are not allowed at any time to disclose any confidential and/or proprietary information to anybody outside the Company without prior permission. Where unsure, employees should confirm the nature of the information in question with their supervisors.

It is the responsibility of the director or employee who has access to or is in control of the confidential or proprietary information to provide adequate safeguards to prevent its abuse or misuse.

A director or employee may not, without having obtained the prior written consent of the Company, publish or cause to be published any article, book, photograph or letter, or give any interview or broadcast or deliver any lecture or speech on any matter which concerns his duties in the business of the Company.

- 4.2.6 **Conflict of Interest** - Conflict of interest situations arise when the personal interests of directors or employees compete or conflict with the interests of the Company. Such situations may lead to divided loyalty, corruption or other questionable practice.

Common conflict of interest situations include, but are not limited to, directors or employees:

- 4.2.6.1 having undeclared financial interests in the business of any supplier, contractor or parties who do business with the Company;
- 4.2.6.2 offering assistance to the Company's competitors by taking on part-time employment or "consultancy" service;
- 4.2.6.3 engaging covertly in production of services or goods in competition with the Company;
- 4.2.6.4 performing personal work on the Company's premises and using the Company's time and assets; and/or
- 4.2.6.5 showing favour to a particular supplier, contractor, customer, job applicant or subordinate for personal reasons.

Every director or employee of the Company shall not embark, engage or interest themselves, whether for reward or gratuitously, in any activity which would interfere with the performance of their duties in the Company or which would constitute a conflict of interest with the business of the Company.

In cases where a director or employee or his immediate family is considering engaging in a business, investment or activity that may conflict with the Company's interests, it is the responsibility of the director or employee to make full disclosure to the Company.

- 4.2.7 **Company's Assets and Resources** - Use of Company's property, including raw materials and finished goods by employees for personal use or for resale may render the culprit liable to dismissal and/or prosecution.

Each employee is responsible for protecting the Company's property that has been entrusted to him/her and will help protect the Company's assets in general. For Information Technology matters, directors and employees must refer to the *IT Code of Conduct* hosted on the Intranet.

Misuse of company resources, including employee's working hours, courier service, company's vehicles and office equipment for personal purposes will be subject to disciplinary action up to and including termination.

4.2.8 **Loans** - A director or an employee or his immediate family member should 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. For the avoidance of doubt, this excludes such loans obtained at prevailing interest rates and with standard commercial terms.

4.2.9 **Personal Conduct Outside Hours of Work** - Directors and employees are expected to conduct themselves in a manner that will not bring the Company into disrepute or cause the Company to suffer from any adverse publicity.

Directors and employees should not take up concurrent employment, whether on a regular or consulting basis, without the prior written approval from the Company.

5. EMPLOYMENT PRACTICES

5.1 **Employee's Welfare, Health and Safety** - The Company pays close attention to the working conditions of its employees and is fully committed to ensuring the highest level of health and safety standards for its employees.

5.2 **Equality of Employment Opportunity** - The Company seeks to attain the correct environment for equal opportunities for all workers in the workplace by ensuring there is equal access to employee benefits for men and women and prohibits sexual discrimination or discrimination on the grounds of religion, race, descent or place of birth, age or sexual orientation. Only essential qualifications and job fit are taken into account in its employee selection process.

5.3 **Confidentiality of Employee Data** - The Company respects the privacy of its employees and all employee records are treated with strict confidence and safe guarded in the HR department

5.4 **Communication** - The Company adopts an open communication style with its employees and seeks to keep the employees informed in a timely fashion of any material information, for example changes or implementation of corporate or HR policies. It publishes a quarterly in-house magazine, *Chatline*, which provided employees with business and corporate updates. The Company's *Employee Handbook* is posted electronically on its Intranet which all employees can access. Employees are encouraged to talk to their immediate supervisor if they have a grievance. The Company practices a two-way and transparent appraisal system annually at which both the employee and the supervisor have the opportunity to exchange views.

5.5 **Development and Remuneration** - The Company provides an open and challenging work environment for its employees and encourages staff participation. With its results and performance based reward system (and not an across-the-board increment or bonus payment system) the Company seeks to build a strong performance culture. It strives to invest in the right training for its employees to increase productivity whilst allowing its employees to learn new skills.

6. RELATIONS WITH SUPPLIERS AND CONTRACTORS

- 6.1 **Fair and Open Competition** - The Company promotes fair and open competition and aims at developing and securing long-term relationships with suppliers and contractors.
- 6.2 **Procurement and Tendering Procedures** - The hire of services or the purchase of goods will be based solely upon price, quality and need. Procurement or tender exercise will be based on the following principles:
- 6.2.1 impartial selection of capable and responsible suppliers and contractors;
 - 6.2.2 selection of appropriate contract types according to needs;
 - 6.2.3 compliance with laws, relevant regulations and contractual obligations; and
 - 6.2.4 adoption of an effective monitoring system and management controls to detect and prevent bribery, fraud or other malpractice.
- 6.3 **Payment Procedures** - The Company undertakes to pay its suppliers and contractors according to agreed terms of trade.

7. RESPONSIBILITIES TO SHAREHOLDERS AND FINANCIAL COMMUNITY RELATIONS

- 7.1 **Increased Earnings and Long-term Growth** - The Company endeavours to enhance shareholder value over the medium to long term.
- 7.2 **Disclosure of Information** - The Company seeks to provide material information to its shareholders in a timely and adequate manner. When inadvertent disclosure has been made to a selected group of people, the Company will make the same disclosure publicly as soon as practicable.
- 7.3 **True and Fair Accounting Policies and Practices** - It is the policy of the Company to maintain complete and accurate records and accounts. All accounting records and the reports produced from them must be kept and presented in accordance with all applicable laws and professional accounting standards.

The accounting books of the Company should, in reasonable and accurate detail, reflect the transactions and disposal of Company assets. No false, artificial or misleading statements or entries should be made in the Company's books or accounting records, documents or financial statements.

- 7.4 **Insider Trading** - The Company has adopted the Singapore Stock Exchange Best Practices Guide with respect to dealings in securities. All employees of the Group who may be in possession of unpublished and/or material price-sensitive information are prohibited from dealing in securities of the Company during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year or one month before the announcement of the Company's full year results and ending on the date of the announcement of the results, in accordance with the guidelines set out in the Best Practices Guide.

7.5 **Interested Person Transactions** - Transactions with the Company's interested persons (a term that is defined in the listing manual of the SGX-ST) are subjected to review and approval by the Board comprising those directors who do not have an interest in the transaction. Where required by the relevant listing rules of the SGX-ST, the Audit Committee reviews the transaction to determine that it is on normal commercial terms and hence, not prejudicial to the interest of the Company and shareholders, before making recommendations to the Board for endorsement.

8. RELATIONS WITH CUSTOMERS

8.1 **Service to Customers** - The Company seeks to provide competent, friendly and courteous service to all its customers.

8.2 **Commitment to Quality and Fair Value Products** - The Company ensures that its customers will receive the best quality and value for their purchases.

9. RESPONSIBILITIES TO THE COMMUNITY

9.1 **Support for Community and Charitable Causes** - The Company meaningfully supports charitable and not-for-profit organisations by way of donations and fund-raising events consistent with the Company's guidelines on charitable giving, espoused by the F J Benjamin Charity Committee.

9.2 **The Environment** - The Company is committed to minimising any negative impact of its business activities on the environment.