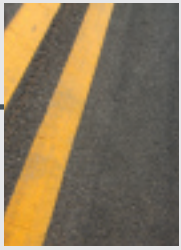
Gammon

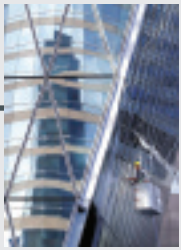
Code of Conduct

Gammon

1.0 Introduction 3



2.0 Purpose 5



3.0 Integrity and ethics 7

3.1 Core business principle
3.2 Soliciting, accepting and offering advantages
3.3 Gifts, hospitality and expenses
3.4 Entertainment, loans and gambling
3.5 Conflicts of interest
3.6 Outside work conduct, employment and investments
3.7 Contributions and sponsorships to charitable, political and other concerns
3.8 Business relationships
3.9 Handling Company property and confidential information
3.10 Commitment in respect of the environment

5.0 Rights of employees and communities

5.1 Core business principle

To observe the rights of our employees and the communities in which we work

We offer employment conditions that meet the minimum legislative requirements and accepted conventions and do not use involuntary labour or restrict free movement of our employees. We do not allow discrimination or harassment and provide equal opportunities, recruitment and career progression being based on objective criteria, individual performance and merit. We observe the rights of employees and subcontractors to a safe and healthy work place and are committed to preventing and continually minimising the adverse impacts of our activities and will engage with communities to share concerns and identify risks as early as possible.

5.2 Equal opportunities

Discrimination against any job applicant or employee on the grounds of colour, race, religion, age, nationality, sex, marital or family status, ethnic affiliation, pregnancy, sexual orientation, disability or other reason is prohibited. In certain cases however the requirements of safety regulations relating to specific positions within a construction business will take precedence. We do not employ any person below the legal minimum age and will require commitments from suppliers and subcontractors to refrain from such practices.

Recruitment, job transfer and progression, remuneration and training and award of discretionary bonuses when applicable are determined solely by the application of objective criteria, fair and unprejudiced opinion, personal performance and merit. We have established guidelines for recruitment, equal opportunities, training, maternity leave and standard terms and conditions for application within each region.

5.3 Harassment

Harassment is regarded as any unwelcome conduct, which would be likely to offend, humiliate or intimidate any person or to give rise to an intimidating, hostile or offensive work environment. Employees, including directors and managers shall take positive steps to prevent harassment by setting a good example. Reports of harassment will be treated in the strictest confidence and every effort made to ensure that the victim is protected and not disadvantaged in terms of his employment or working environment. If you raise a complaint of harassment by a third party, the matter shall be investigated and acted upon to ensure you do not continue to experience such behaviour.

5.4 Grievances

The Company recognises the sensitive nature of complaints of discrimination, unfair treatment or harassment and will ensure that employees who wish to discuss such issues may do so in a consistent and structured format with total confidentiality. Employees will not be penalised for raising grievances.

In the event of a grievance being raised to a manager relating to discriminatory behaviour or harassment, the manager must notify the Human Resources Director immediately, irrespective of how trivial the complaint may appear. Alternatively employees may also refer such issues directly to the Human Resources Director. All complaints will be treated in the strictest confidence. In connection with issues related to equal opportunities the Human Resources Director shall be the point of contact.

5.5 Exploitation

The Company aims to allocate sufficient resources to manage the business effectively and to meet daily demands. The organisational structure, normal duties and expected working hours for employees are defined. All local official public and site holidays are observed and we comply with all laws governing minimum wages and minimum number of days of holidays.

Managers with authority may vary duties from time to time within reasonable limits. Working hours may also be adjusted, subject to compliance with Company guidelines, to suit project working schedules and to meet deadlines and such working hours are monitored and controlled to ensure employees are treated fairly and efforts are recognised. At no time shall excessive or prolonged periods of overtime work be encouraged. Should employees consider their workload to be excessive or their position is being exploited they are encouraged to discuss the matter with their manager or follow the grievances procedure (section 5.4).

Employees are also allowed the freedom to join any union and the Company will not interfere in this regard.

5.6 Safe, healthy and secure working environment and conditions

Our vision is to have a workplace without injury or accident. You have a clear duty to yourself, your fellow workers and in many cases the public to take every reasonable precaution to set up and maintain a safe and secure working environment free from hazards. The Company has set up management systems and resources to plan, implement, control and continually improve performance in these areas. Strict wearing of PPE when on site and adherence to the policies, manuals, procedures and safe working rules are expected of all employees.

The Company will not tolerate any unsafe work practices or serious infringements or the consumption of alcohol or taking of drugs during working hours. Should such behaviour be detected you will be subject to different levels of disciplinary action including possible dismissal.

5.7 Working in the community

As a minimum the Company seeks to engage with the local communities in which we work to find out their concerns related to our operations and where practicable to take actions to alleviate such concerns in a responsible manner. When approached by the media about Company affairs you are to follow the guidelines established and unless otherwise authorised you should direct such enquiries to our Corporate Communications Department. As a rule you are to treat members of the public with respect, courtesy and due consideration at all times. As a Company we will also use our position and influence within the community to promote health and safety, sustainability and environmental protection and actively support and participate in relevant community, industry and professional association activities. We have pledged to make our safety and environmental performance data available to the public annually.

6.0 Implementation of this Code

6.1 Core business principle

To create the means to make the Code of Conduct an integral part of daily practice

The Company keeps employees informed of relevant issues including our objectives, targets and performance and has established and will maintain channels to allow open communication to foster mutual trust and respect. We will endeavour to ensure all employees are familiar with this Code and are informed of all matters material to its effective development and implementation through appropriate monitoring activities and communication with relevant interested parties.

6.2 Organisation and responsibilities

The Board of Directors is responsible for overseeing the development and implementation of this Code of Conduct and the Board should provide leadership, resources and active support for implementation and shall demonstrate visible and active commitment to the implementation of the core business principles.

6.3 Training

Employees shall receive specific training on the Code tailored to relevant needs and circumstances. Where appropriate, subcontractors and suppliers shall also receive instruction or briefings on the Code. Training activities shall be assessed periodically for effectiveness.

6.4 Raising concerns and seeking guidance

6.4.1 Further to the procedures for handling grievances (section 5.4) we encourage employees and others to raise genuine concerns about malpractice and report suspicious circumstances in writing or otherwise to responsible managers as early as possible to enable the Company to take appropriate action in an ethical manner. The Company provides secure and accessible channels through which employees and others can raise concerns and report suspicious circumstances in confidence and without risk of reprisal.

6.4.2 Employees can in the first instance raise issues with their responsible manager or the director responsible for their business unit or department. However, if employees believe that they cannot raise their concerns to the responsible manager or director or, having raised the issue, believe it is not being dealt with appropriately, then employees may approach the Group Solicitor and/or the Finance Director, on a confidential basis, who will deal with the matter promptly and fairly.

6.4.3 Alternatively employees may if they consider it necessary report matters anonymously to the Group Solicitor and/or the Finance Director, although it is preferred that employees identify themselves to facilitate investigation and resolution of matters raised or reported.

6.4.4 Examples of the types of matters that employees are encouraged to report are:

- suspected criminal offences such as corruption and fraudulent activities;
- failure to comply with legal obligations;
- the health and safety of any individual being put at risk;
- any form of harassment;
- any financial irregularity; or
- any concealment of any malpractice, criminal offence and the like.

6.4.5 Matters brought to the Company's attention will be investigated thoroughly and sympathetically and be brought to the attention of the Company's Risk Management and Compliance Committee at its regular meetings. Appropriate feedback will be given to the employee who reported the matter.

6.4.6 It is the Company's policy to protect and support anyone who reports genuine (non-malicious and non-vexatious) matters of concern but employees should be aware that the identity of the person reporting the matter will need to be disclosed to the relevant authorities should legal or criminal proceedings result from the report or may in any event be revealed by the information provided in the report. Anyone reporting matters of concern who is treated detrimentally is encouraged to report this to the Group Solicitor and/or the Finance Director or if necessary the Chief Executive of the Company.

6.4.7 If employees feel unable to report or raise any matters of concerns to or with management or directors in the Company or believe that such matters have not been properly addressed then employees may report or raise such matters to and with the Chairman of the Company's Risk Management and Compliance Committee who is a shareholder's representative and whose contact details will be made available to employees through the Company's usual communication channels.

6.4.8 To further encourage employees to raise concerns and report suspicious circumstances, the Company may from time to time implement an ethics or concerns helpline service which will provide a secure and confidential channel by telephone, email or the internet, for employees to raise concerns, report suspicious circumstances or ask questions. Details of the ethics or concerns helpline service will be published through the Company's usual communication channels from time to time.

6.5 Internal controls

6.5.1 The Company shall maintain accurate books and records, which properly and fairly document all financial transactions, selection processes, formal agreements and other records required under this Code and reference guidelines and procedures. We shall not maintain off-the-books accounts.

6.5.2 The Company shall maintain an effective system of internal controls, comprising taxation, regulatory, financial and organisational checks and balances over our taxation, accounting and record keeping practices and other business processes related to implementation of this Code.

6.5.3 We shall establish feedback mechanisms and other internal processes designed to support continuous improvement and shall subject the internal control systems, including the accounting and record keeping practices, to regular audits to verify compliance.

6.6 Disciplinary action

The Company shall apply appropriate sanctions for violations of this Code of Conduct, up to and including termination of employment or engagement under certain circumstances. Breaching the Code may also in some circumstances lead to prosecution.

6.7 Legal rights and obligations

The Code does not affect the rights or obligations of any employee at law including his/her right or obligation in respect of the reporting of a criminal matter or other matter and the disclosure of such matter to an external party as may be required by law.

6.8 UK Bribery Act

A breach of the Code may lead to prosecution and conviction under, without limitation, the Prevention of Bribery Ordinance (Cap 201, Laws of Hong Kong) and equivalent legislation in other jurisdictions. Such prosecution and conviction could have further serious and far reaching implications for individuals who are British nationals and, regardless of the nationality of the individual who committed the offence, for the Company and its UK shareholder who could face further criminal prosecution under the UK Bribery Act 2010. Upon conviction under the UK Bribery Act 2010 individuals can be sentenced to up to 10 years imprisonment and companies punished with unlimited fines.

Gammon Construction Limited
28/F Devon House, TaiKoo Place,
979 King's Road, Hong Kong

Tel: (852) 2516 8823
Fax: (852) 2516 6260
www.gammonconstruction.com

© Gammon Construction Limited 2015