



LEON OVERSEAS GROUP

Code of Business Conduct and Ethics

You are requested to confirm that this Code of Business Conduct and Ethics has been received, read and understood.

Please confirm by signing the acknowledgment section at the end of this document and passing a copy of the same to your immediate superior.



Managing Director's Message

Leon strongly believes in the company's core values of confidentiality, integrity, independence, impartiality & trust. These values drive our company towards leading inspection & testing company in the markets we operate. Our code of conduct & ethics is developed based on these core values, which are key to our professional requirements of being a third party independent inspection agency.

I endorse, our code of conduct & ethics will bring the value proposition in our business. Also, it will help us to build a trustful relationship with our customers & business partners. Therefore, it is the responsibility of every employee to act in line with the code of conduct & ethics to actively preserve our company's core values.

All employees must ensure that their decisions and actions are in accordance with this code of conduct & ethics on day to day basis. I Hope, we all will ensure to protect our company's interests and brand image through diligently applying the code of conduct & ethics in our daily activities.

I remind that any violation of these principles or rules will seriously impact our organizations ability to conduct the business in an efficient way & adversely affect our company's image.

I advise, every employee will read and understands these codes of conduct & ethics and apply in their daily job. It is indeed important that in case of any confusion or doubt in application of these rules, employee need to contact their line manager or compliance officer before making any decision.

A handwritten signature in black ink, appearing to read 'George Huang Yi'.

George Huang Yi
Managing Director



1. OBJECTIVE

The objective of this Code of Business Conduct and Ethics [herein referred to as "Code"] is to provide guidelines to every employee of Leon group [herein referred to as "Company"] on how our business is to be conducted, the ethical behavior of the Company and to establish a culture of openness, trust and integrity in business practices.

Effective ethics is a team effort involving the participation and support of every employee within the Company. All employees should familiarize themselves with this Code and due diligently comply with each and every of its requirements.

The Company, whilst conducting its businesses, will not tolerate any wrongdoing or impropriety at any time and will take the appropriate measures quickly in correcting the issue if the Code is broken. Any infractions to this Code of Ethics will not be tolerated.

2. APPLICATION

This Code of Business Conduct and Ethics applies to all employees of the Company and its subsidiaries, from the Chairman and the rest of executive management, to supervisors and field staff. There are no employees who are exempt from the policies outlined in this Code. Furthermore, this code of practice applies to joint venture partners, authorized agents, franchises, sub-contractors, intermediaries, contractors, consultants and temporary staff who are involved in the Company's business directly or indirectly.

The Company's Compliance Department is responsible for applying these policies to specific situations in which questions may arise and has the authority to interpret these policies in any particular situation. Any questions relating to how these policies should be interpreted or applied should be addressed to the Compliance Department.

3. OUR VALUES

The Company's values on which the Code is based are as follows:-

- Integrity and Impartiality
- Conflicts of Interest
- Anti-bribery and other Improper Advantages
- Positive Environment
- Compliance with Laws and Regulations
- Confidentiality
- Fair Marketing



4. CODE OF BUSINESS CONDUCT AND ETHICS

4.1 Integrity and Impartiality

Integrity and Impartiality – though linked in many ways – are the foundations on which the Company conducts its businesses. Whilst integrity is about adherence to moral and ethical principles, impartiality is the principle of making decisions based on objective criteria, rather than on the basis of bias, prejudice, over-familiarity, or preferring the benefit to one party over another for improper reasons.

All the Company's services must be provided in a professional, independent and impartial manner, honestly and in full compliance with applicable industry and international standards, practices, approved procedures and policies. We shall not give in to any type of pressure from our customers to compromise on our integrity principles.

All findings and results shall be documented accurately and should not be improperly changed. Where approved methods make provision for tolerances in results, we shall ensure that such tolerances are not abused to alter the actual findings. We shall report data, test results and other material facts in good faith and shall not improperly change them, and shall only issue reports and certificates that correctly present the actual findings, professional opinions or results obtained.

All financial and other Company related transactions shall be properly and accurately recorded and all book entries supported by proper documentation issued by bona fide parties. All records must be retained in accordance with applicable laws and Company policies. Off the books accounts are prohibited.

The relevant sector specific IFIA committee code of practice integrity rules are also taken in to account in performing the specific jobs. i.e., Agricultural, Minerals & Petroleum committee code of practices.

Reference is made to the Company's Impartiality Risk Assessment for risk factors and mitigation controls of matters that may affect or appear to affect our impartiality principles. Further details and copies of this Risk Assessment can be obtained from the HR or ADMIN Department.

4.2 Conflicts of Interest

A conflict is unavoidable when any of our personal interests diverges from the Company's interests. Such situations must be avoided at all costs and the Company through appropriate communication and programs shall ensure awareness of such conflicting situations.

Furthermore:

- (i) The Company shall avoid conflicts of interest with any related entity in which it has a financial or commercial interest and to which it is required to provide services.
- (ii) The Company shall avoid conflicts of interest between its sister companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.
- (iii) The Company shall further ensure that its employees avoid conflicts of interest with its activities. As a minimum the employees should not:
 - Directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of the member, except for the acquisition of shares of a client, supplier or

CODE OF BUSINESS CONDUCT AND ETHICS

Version: 1.0

Date of issue: 15 March 2018

Page 4 of 12



competitor on a public stock exchange, and then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the employee unduly dependent on its financial fortunes:

- Hold any position with a competitor or client;
- Conduct any company business with any member of their family or with an individual or organization with which they or their family is associated;
- Employ a member of their family without approval of the members management.

Any employee who is aware of a conflict of interest or an improper personal benefit or is concerned that a conflict might develop, is required to discuss the matter with the Compliance Department promptly.

4.3 Anti-Bribery and other Improper Advantages

The Company prohibits the offer or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment. The Company shall prohibit the use of any routes or channels for provision of improper benefits to, or receipt of improper benefits from customers, agents, contractors, suppliers, or employees of any such party, or government officials.

Improper advantages are advantages granted to influence governmental or corporate decisions or actions in violation of duty. They may take the form of bribes, gifts, excessive entertainment or kickbacks. They also include political contributions unless they are disclosed, comply with local laws and have obtained prior clearance.

Gifts, hospitality and entertainment must always be related to a genuine business purpose and must be modest in nature. They may not be intended or appear to be intended to influence a decision or action and must be kept within what is socially acceptable and legally permissible. All these gifts, hospitality and entertainment are accounted in a separate ledger and must be consolidated such payments made by any of the operations in the organization.

For charitable contributions, political contributions or sponsoring of events, prior clearance from management must be obtained. All these charitable & political contributions are accounted in a separate ledger and must be consolidated such payments made by any of the operations in the organization.

Facilitation payments are modest payments customary in certain countries to expedite the performance of routine actions which the proposed recipient has a clear and non-discretionary obligation to perform. Facilitation payments are to be recognized as a form of bribery and must be identified and avoided.

Each country will conduct periodic reviews to assess the bribery risks and determine appropriate control measures. The respective country senior executive (Director / General manager) will conduct the reviews at a minimum

- Prior to the commencement of a new service or start up of operations in a new country and
- Whenever a significant breach of the members programme which warrants a review of the existing control measures occurs.

4.4 Positive Environment

The Company endeavors to provide all employees an environment that is conducive to conducting business and allows individuals to excel, be creative, take initiatives, seek new ways to solve problems, generate opportunities and be accountable for their actions. The Company also encourages teamwork in order to leverage our diverse talents and expertise through effective collaboration and cooperation.



The Company prohibits the manufacture, distribution, sale, purchase, transfer, possession, or use of illegal drugs or alcohol, in the workplace, while representing the Company outside the workplace or if such activity, whether taking place outside or inside the workplace, affects our work performance or the work environment of the Company.

The Company is committed to providing a safe, healthy and respectful work place and fair working conditions to all its employees. The Company prohibits all forms of harassment, bullying or discrimination based on race, gender, national origin, disability, sexual orientation or age.

All employees are expected to respect their fellow employees. Employees must also be open, transparent and truthful in dealing with their fellow employees, subordinates and superiors.

The Company prohibits employees from engaging in any hostile physical contact, intimidation, threats of such actions or violence, or any other actions that may be considered threatening or hostile in nature while on Company premises, at a Company-sponsored function, while representing the Company or acting on its behalf.

The Company encourages open, timely communications that help us achieve organizational goals, share information, increase understanding, participate in the decision-making process, enhance our pride in the organization and provide recognition for our work-related successes.

4.5 Compliance with Laws and Regulations

To the extent not specifically discussed within this Code, the Company expects all of our directors, managers and employees to comply with all applicable laws including anti bribery agencies; rules and regulations of federal, state, local and foreign governments; and other appropriate private and public regulatory agencies. Employees will use their best efforts to ensure compliance to all such laws, rules and regulations.

4.6 Confidentiality

We will observe obligations of confidentiality and non-disclosure of confidential information and trade secrets of others, including suppliers & business partners, with the same degree of diligence that employees are expected to use in protecting the Company's own confidential information and trade secrets.

All work carried out for a customer will be treated as confidential to that client. To protect customers' confidential information the Company has equipped and empowered its employees to implement appropriate means to ensure that all such information has been suitably controlled for access and protected to preserve its integrity and availability. Confidential information relating to others may only be disclosed with the approval of the person or entity involved.

We will respect the legitimate intellectual property rights of others and will not reproduce or use software or other technology licensed from suppliers except as permitted by the applicable license agreement or by law.

4.7 Fair Marketing

The Company recognizes the benefits of a free market economy and of competition as an opportunity for continual improvement and the optimal way to allocate resources, but also understand the needs to compete fairly within the framework of the applicable competition laws. To this effect the Company shall ensure that their staff:



- (i) conduct marketing (including comparisons with, or references to, competitors, competitors' services or third parties) in a manner that is truthful, not deceptive or misleading or likely to deceive or mislead, and which is consistent with applicable laws; and
- (ii) present the Company in a fair manner; and
- (iii) ensure presentational information, including descriptions of Company's network and affiliations, resources employed and the services provided, is accurate and unambiguous.

5. COMPLIANCE PROGRAMS

This Code has been approved by the Company's top management and applies throughout the organization from the date it has been accepted.

A compliance program (Code of Business conduct & Ethics) is designed to identify and reduce the risk of breaching any elements of this Code and to remedy any breach that may occur. A successful compliance program will facilitate compliance within the organization and help the company to become or remain a good corporate citizen.

The compliance program will be sent to IFIA-Director General within a month of publication and subsequent revised versions for verification & approval.

5.1 Culture

The 'culture' of a company can be seen as a system of deep-rooted values, attitudes and beliefs that affect the way company employees perceive the company, what it stands for and the environment in which the company operates, i.e. their relationship with suppliers, customers, investors and regulators.

The values, attitudes and beliefs exhibited by senior management represent the single greatest influence on organizational culture. They must drive the development of the right attitudes and beliefs. Senior management recognizes that setting the right culture is a major responsibility for them, in parallel with monitoring and controlling responsibility.

5.2 Appointment of Compliance Officer

The Deputy Director Administration has been appointed as the Company's Compliance Officer with responsibility and authority for coordinating implementation of the Compliance Program throughout the organization. The Compliance Officer works with senior managers throughout the Company who have responsibility for implementing the program in their areas of responsibility.

5.3 Establishment of the Compliance Committee

The Company has established a Compliance Committee to carry out periodic reviews of the progress of the Compliance Program and provide policy guidance. Such reviews shall be carried out not less than every 12 months. The Compliance Committee includes representation from the Chairman & CEO, the Compliance Officer, the Directors and other Division / Business heads.

5.4 Employee commitment



The Company shall ensure that a copy of the Code is made available to all employees and are requested to confirm that the same has been received, read and understood. The confirmed records are kept in the respective employee personal files.

The senior managers will sign on the "Leon Code of Business Conduct & Ethics - Management Declaration" (Ver 1, 2018) form as per Annex A on annual basis as part of their compliance & commitment. The signed declarations need to be sent to compliance officer for consolidation & reporting to compliance committee.

Prior to job offer to the prospective employees, this compliance program (code) is informed for their understanding.

All employees are safeguarded against any demotion, penalty or any adverse actions arising from strict implementation of this programme even if it may result in a loss of business.

5.5 Training

All employees will undergo a compliance training course. Records of such courses will be kept for a period as identified in the Company's record retention program.

5.6 Consultation on Code development

The Company's employees have the opportunity to provide input on the development of the Compliance Program during performance evaluations, staff training sessions or at review meetings (directly, through their superior or senior manager) or directly to the Compliance Officer.

5.7 Employee Guidance & Evaluation

All employees shall contact their respective managers when guidance about the Compliance Program is required. If necessary, the respective manager will contact the Compliance Officer for clarification. Where specifically requested, such guidance will be dealt with in strict confidence (Confidentiality & anonymity).

The employees are evaluated after the training with the test available in the training module. These results are recorded & passed employees will provide declaration as per format. The failed employees are retrained & reevaluated for the performance till satisfactory performance in tests.

5.8 Reporting of violations

Any employee who becomes aware of any existing or potential violation of laws, rules, regulations of this Code is required to notify the Compliance Department promptly. Failure to do so is itself a violation of this Code. To encourage employees to report any violations, the Company will not allow retaliation for reports made in good faith. The reporting employee is fully protected against any form of reprisal unless they acted maliciously or in bad faith. If requested, the employee's anonymity is protected to the extent reasonably practicable.

Employees are required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge to the compliance officer.

Reports can be submitted orally either by telephone or in person or in a written format via e-mail, regular mail or by fax.

An employee who is unsure of whether a situation violates this Code should discuss the situation with their immediate superior or the Compliance Officer to prevent possible misunderstandings at a later date.



Compliance officer contact details:

Santosh Elapanda
QHSE manager
Mobile: +91 9989485538
Email: santosh@leonoverseas.com

5.9 External communications

This Business code of conduct & ethics document will be made available in the website for interested parties. Any complaints / feedback will be received through the website under suggestions / feedback menu.

5.10 Investigation & actions on complaints / feedback

All the complaints / feedback will be investigated by compliance officer and the report is submitted to the compliance committee with recommended actions. Up on review the compliance committee directs the compliance officer to enforce the actions as per the approved action plan.

Procedure for the handling of investigations and sanctions:

Once the investigation is initiated, the compliance officer monitors the progress of investigation by obtaining the required information from the concerned location managers and provide the periodic summary reports to the compliance committee on investigations, violations and their respective implementation of corrective and disciplinary actions.

The compliance committee will decide on the appropriate corrective & disciplinary actions to be taken on the violations reported based on the investigation reports. Such measures will include a reprimand, demotion, suspension or dismissal from services.

During the investigation, the alleged perpetrator / violator will have the right to be heard and his / her comments are noted in the records and used in the investigation process.

All the records of the investigations and corrective actions are maintained by the compliance officer.

5.11 Suppliers / Business partners participation

All the suppliers / business partners are provided with the copy of this compliance program and obtain the declaration form of their understanding & acceptance before enrolment of the supplier / business partner in the approved list. Additionally, before entering contract with business partners, a proper review will be carried out to assess their credentials, their background check etc. In case of intermediaries, the background check & remuneration analysis will be reviewed & approved by compliance committee. The business partners (except subcontractors) are verified periodically (will be covered over a period of three years) to check with these compliance principles. Leon is committed to not deal with any business partners who are known to be involved in bribery and stop the business deals after discovering any bribery for existing ones.

Suppliers / Business partners include:

- Intermediaries (Entities or individuals external to the Leon who are required to promote our services as part of their responsibilities, including consultants & advisers)
- Joint venture partners
- Agents (Entities or individuals external to the Leon who are required to provide operational services, within the scope of IFIA's AoA, on behalf of Leon)
- Subcontractors (Firm who performs part of the work of Leon's contract as per the subcontracting scope provided by the Leon)



- Franchisees (Firm who purchases the right to use Leon’s business trademarks, brand & other proprietary knowledge)

Training and support will be provided to the business partners as appropriate by Leon. The accounts of intermediaries remuneration will be maintained in a separate ledger and consolidated annual management statement will be prepared.

5.12 Complaints & Disciplinary procedures

Whenever, Leon observes a breach of the IFIA code by other members, a complaint will be lodged with IFIA only and not any other parties unless there is any regulatory requirement.

5.13 Internal audits

The Company requires its nominated internal auditors, as part of their internal audit plan, to verify that this Code is implemented diligently as per the Compliance Program outlined.

Findings resulting from such audits are reported to the Compliance Officer who submits a summary report to Company’s Compliance Committee. The Compliance Officer and/or Compliance Committee shall follow-up on such findings and initiate remedial actions where appropriate.

5.14 External examinations

Dedicated external compliance audits are carried out by qualified auditor firm (approved by IFIA) on annual basis to check all conformity assessment and related activities performed by the Company’s divisions/departments/functions, meet the requirements of this Code.

The external audit firm to perform the audit as per these code by sampling in respect of the China Leon’s locations including all Group Members within the China Leon’s Group membership and the systems and documentation applicable to these locations/entities. The sampling should be agreed between the auditor and the China Leon taking into account of organization and peculiarities.

To maximize the use of the China Leon’s internal audits to avoid duplication of effort and minimize additional costs in so far as is permitted by the local standards under which the agreed upon procedures are being performed

The external audit firm need to report as per the format of Annex B to the compliance committee for necessary actions, if any required. The compliance officer after receipt of the report need to send a copy of the report to IFIA – Director General within six months of end of the financial year.

The Director general will submit to the IFIA council summary reports of the reports received. In the event that a report contains reportable conditions, the Director General will follow these up, where applicable, in conformance with the IFIA complaints & disciplinary procedures.



**ACKNOWLEDGMENT OF
CODE OF BUSINESS CONDUCT AND ETHICS**

I (please print full name), confirm that I have received, read and understood Leon Group "Code of Business Conduct and Ethics".

Signed.....

Date.....



