

## **CODE OF CONDUCT**

Langham Hospitality Investments Limited (the “Company” together with its subsidiaries, the “Group”) believes that honesty, integrity and fair play are important company assets in business. It is therefore important for all of the Company’s senior management and employees (including executive director) (collectively “Employees”) to ensure that the Company’s reputation is not tarnished by dishonesty, disloyalty or corruption. This Code of Conduct sets out the basic standards of behaviour expected of all Employees and the Company’s policy on matters like acceptance of advantages and declaration of conflict of interest by Employees in connection with their official duties.

You will not find every rule, policy or standard here. You may also not find every answer you seek. Employees are encouraged to raise any questions or concerns about workplace behavior. Any Employee, who in good faith seeks advice, raises a concern or reports improper behavior, is doing the right thing. The Company prohibits all personnel from taking any action against an Employee who reports a concern.

Contents of this Code of Conduct are applicable to all Employees including temporary or part-time staff both inside and outside Hong Kong. This Code of Conduct is also adopted by LHIL Manager Limited as trustee-manager of the Trust wherever applicable. No part of this code may be waived or suspended.

### **The Prevention of Bribery Ordinance (“Ordinance”)**

1. Any employee soliciting or accepting an advantage in connection with his work without the permission of the employer may commit an offence under Section 9 of the Prevention of Bribery Ordinance. The term “advantage” is defined in the Ordinance and includes money, gift, commission, loan, fee, reward, office, employment, contract, service or favour as more particularly mentioned in Appendix I.

### **Soliciting Advantage**

2. It is policy of the Group to prohibit all Employees from soliciting any advantage from customers, clients, suppliers, contractors, tenants or any persons having business relations with the Group.

### **Accepting Advantage**

3. If the acceptance of an advantage could affect objectivity or induce you to act against the Group's interests, you should decline to accept. Similarly, if acceptance could lead to questions or complaints of bias or impropriety, the offer should also be declined. However, you are allowed to accept (but not solicit) the following gifts offered voluntarily if the refusal of which could be seen as unsociable or impolite:

(a) advertising or promotional gifts of a nominal value; or

(b) gifts given on festive or special occasions subject to a maximum limit of HK\$500 in value.

4. If you wish to accept a gift not covered in paragraph 3, you should seek permission in writing (via Form A) from his/her Manager/Department Head within 3 working days from the date of receipt or the date of awareness of the gift (whichever is the earlier). If the application made under this paragraph is submitted by a Manager/Department Head, approval from the Chairman/Chief Executive Officer is required.

5. Each application should be carefully considered by the Manager/Department Head. Proper records of these applications should be kept showing the name of the applicant, the occasion of the offer, the nature and estimated value of the gift, and whether permission has been granted for the applicant to retain the gift or other directions have been given to dispose of the gift.

6. There is however no restriction on the acceptance of advantages in the Employee's private capacity from any person who does not have any official dealings with the organization. In case of doubt, you should refer the matter to your immediate supervisor or Human Resources Department for advice and instructions.

7. If an Employee has to act on behalf of a client in the course of carrying out the Group's business, he/she should also comply with any additional restrictions on acceptance of advantages that may be imposed by the client.

### **Offering Advantage**

8. Under no circumstances may an Employee offer bribes or advantage to any director, employee or agent of another company or organization for the purpose of obtaining or retaining business for, or directing business to the Group.

## **Observing Local Laws when Working in another Jurisdiction**

9. Any Employee who conducts business on behalf of the Group in another jurisdiction must also abide by the laws of that jurisdiction, including laws and regulations on anti-corruption, and all other laws and regulations pertaining to ethical business conduct.

## **Entertainment**

10. As defined in Section 2 of the Ordinance, “entertainment” refers to food or drink provided for immediate consumption on the occasion, and of any other entertainment provided at the same time. Although entertainment is an acceptable form of business and social behaviour and is not an “advantage” as defined in Section 9 of the Ordinance, you should 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 Group business. If it is impolite to decline an invitation, you might accept, on the understanding that you be allowed to reciprocate.

11. Employees should be particularly vigilant to entertainment offered to them outside Hong Kong, and turn down invitations to meals or entertainment that are excessive in nature or frequency. It should be noted that any free trips or travelling expenses are not included in the definition of “entertainment” but are considered as “advantages” under the Ordinance. Without prior permission as mentioned in paragraph 4 above, acceptance of these advantages is strictly prohibited.

## **Directorship and Outsider Employment**

12. If you wish to take up directorship or employment with another organisation, either on a regular or consulting basis, you must seek the prior written approval of the Chairman/Chief Executive Officer before accepting the employment.

## **Conflict of Interest**

13. You should avoid any situation where your private interest conflicts, may possibly conflict, or would be reasonably perceived as conflicting, with the interest of the Group. Failure to avoid or declare any conflict of interest may give rise to criticism of favouritism, abuse of authority or even allegations of corruption. Private interest includes both financial and personal interests of your and those of your connections. Connections include family members, relatives, and close personal friends.

14. Some common examples of conflicts of interest include:

- (a) an Employee involved in the procurement process is closely related to or has beneficial interest in a company which is being considered by the Group in the selection of a supplier or service provider;

- (b) one of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the Employee responsible for the recruitment or promotion;
- (c) an Employee involved in the selection of a supplier for the Group engages in frequent or excessive gambling with one of the suppliers under consideration; (d) a term contractor whose contract is about to be renewed grants a personal loan to the staff member responsible for contract negotiation; or
- (e) an Employee responsible for evaluating tenders is a part-time consultant of one of the tenders.

15. You must declare to the Company any such conflict of interest that arises, including any financial interest, direct or indirect, which you or members of your immediate family may have, in any business or other organisation which competes with the Group or with which the Group has business dealings. All declarations should be made annually in writing using Form B to the Chief Executive Officer via Human Resources Department.

### **Confidential Information**

16. All non-public information about the Group should be considered confidential information. Employees are not allowed to disclose any confidential information to anybody without authorization. Employee who have access to or are in control of such information should at all times provide adequate safeguards to prevent its abuse or misuse. It should also be noted that unauthorized disclosure of any personal data may result in a breach of Personal Data (Privacy) Ordinance.

17. Employees who have access to confidential information about the Company, any members of the Group or any other entity are not permitted to use or share that information for trading purposes in Langham Hospitality Investments and the Company, the other entity's securities, or for any other purpose except for the conduct of the Group's business. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical, but also illegal. If you have any questions, please consult the Code of Conduct on Securities Dealings of the Company.

### **Corporate Opportunities**

18. Employees are prohibited from taking opportunities that are discovered through the use of corporate property, information or position for themselves without the consent of the Chief Executive Officer. No Employee may use corporate property, information or position for personal gain and no Employee may compete with the Group directly or indirectly.

19. All assets of the Group assets including funds, property, information and intellectual property can only be used for the sole purpose of conducting the Company's business or authorized by the management. Unauthorized use, such as misuse or resale to make personal gain, is strictly prohibited.

### **Loans to and from Persons / Organisations having Business Dealings**

20. You or your immediate family should not grant or guarantee a loan to, or accept a loan from or through the assistance of any individual or organisation having business dealings with the Group. There is, however, no restriction on normal bank lendings.

### **Gambling**

21. You are specifically discouraged from engaging in frequent and excessive gambling of any kind with persons having business dealings with the Group. If on occasions where refusal of gambling is considered unsociable, the amount of money involved should not be significant. Gambling in the Group's premises is strictly forbidden. You are reminded that all gambling shall be conducted lawfully.

### **Records and Accounts of Companies in the Group**

22. Employees and their agents should ensure that any record, receipt, account or other document they submit to the Group or the supervisors as appropriate, gives a true representation of the events or business transactions as reported in the document. Intentional use of documents containing false, erroneous and defective information to deceive or mislead the Group, regardless of whether the Employee may obtain any gain or advantage, may constitute an offence under the Ordinance.

### **Breach of Rules**

23. It is the duty of every Employee to understand and comply with this Code. Managers should also ensure that their subordinates understand well and comply with the standards and requirements stated in this Code.

24. Those who violate the standards in this Code will be subject to disciplinary action, including possible dismissal. Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed behavior that they believe may be a violation of this Code or when in doubt about the best course of action in a particular situation. Employees are expected to cooperate in internal investigations of misconduct. In cases of suspected corruption or other criminal offence, a report will be made to the ICAC or the appropriate authorities.

25. Any enquiries about the Code or complaints on possible breaches of this Code should be channelled to the Group Internal Audit for advice and action. The Company will consider all complaints impartially and efficiently. All information received will be kept confidential. In addition, any breach of the rules, fraud, and other irregularities can also be reported to the Hotline of Internal Audit Department on 2827 6628 and email at [ia.hotline@greateagle.com.hk](mailto:ia.hotline@greateagle.com.hk).

### **Review of the Code of Conduct**

26. This Code will be reviewed from time to time.

#### *Attachments*

1. Appendix I - Definition of “Advantage” with the meaning prescribed by The Prevention of Bribery Ordinance;
2. Form A – Report on Gifts Received;
3. Form B – Declaration of Conflict of Interest

Date: 30 May 2013

## Appendix 1

“Advantage” means :

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation or any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty; and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e), but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an election return in accordance with that Ordinance.

**Langham Hospitality Investments  
Langham Hospitality Investments Limited  
REPORT ON GIFTS RECEIVED**

**Part A – To be completed by Receiving Staff**

To : Department Head

Description of Offeror :

*Name & Title of Offeror :* \_\_\_\_\_

*Company :* \_\_\_\_\_

*Relationship (Business / Personal) :* \_\_\_\_\_

Occasion on which the Gift

Was / is to be Received : \_\_\_\_\_

Description & (Assessed) Value of the Gift : \_\_\_\_\_

**Suggested Method of Disposal : Remark**

( ) Retained by the Receiving Staff \_\_\_\_\_

( ) Retained for Display / as a Souvenir in the Office \_\_\_\_\_

( ) Share among the Office \_\_\_\_\_

( ) Reserve as Lucky Draw Prize at Staff Function \_\_\_\_\_

( ) Donate to a Charitable Organization \_\_\_\_\_

( ) Return to Offeror \_\_\_\_\_

( ) Other (please specify) : \_\_\_\_\_

\_\_\_\_\_  
(Name of Receiving Staff)  
(Title)

Date : \_\_\_\_\_

**Part B – To be completed by Manager / Department Head**

To : (Name of Receiving Staff)

The recommended method of disposal is *\*approved / not approved*. \*The gift(s) concerned should be disposed by way of : \_\_\_\_\_

\_\_\_\_\_  
(Name of Approver)  
(Title)

Date : \_\_\_\_\_

## **Langham Hospitality Investments Limited Annual Declaration of Conflict of Interest**

1. Conflict of interest situations arise when the personal interests of employees compete with the interests of Langham Hospitality Investments Limited and/or its subsidiaries (collectively referred to as the “Group”). Such situations in the worst case, can result in corruption or other malpractices.
2. Typical examples of conflict of interest situations employees may involve in are:-
  - Having undeclared financial interests in any supplier, contractor or parties that do business with the Group;
  - Offering assistance to competitors of the Group;
  - Engaging in outside employment or business which affect the efficient discharge of duties or is in competition with the Group;
  - Performing outside work by using the Group’s resources; and
  - Giving unduly favoritism to particular supplier, contractor, customer, job applicant or subordinate.
3. It is the employee’s personal responsibility to avoid engaging in situations that may lead to or involve in conflict of interest. In cases where an employee or members of his / her immediate family might have engaged or considered engaging in activities that might have existing or potential conflict with the Group’s interests, the employee should make full disclosure in writing to the Chairman and Chief Executive Officer.

---

To : Chairman /Chief Executive Officer

From : \_\_\_\_\_  
Name of employee Title Business Unit / Department

I have read the company policies on the part of conflict of interest above, and fully understand its contents.

I declare that I or members of my immediate family have no conflict of interest with the Group as at the date of making this declaration.

I or members of my immediate family have direct or indirect conflict of interest with the Group as at the date of making this declaration, which I declare as follows on page 2:-

(P.T.O.)

**A. Connected Organization – Name, Address, Nature of Business and Relationship with Our Group and the Employee**

**B. Employee’s Relevant Interests in Connected Organization (e.g. Shareholdings, Partnerships or other interests)**

**C. Details of Transactions between Connected Organization and Our Group for the following periods :-**

**From the date of previous declaration or from joining the company, to the moment I sign for this declaration.**

Signed : \_\_\_\_\_

Date : \_\_\_\_\_