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CONTROLLED  
**ISO CONTROL**  
 DATE: 28/06/2013

# CODE OF CONDUCT

SOẠN THẢO	XEM XÉT	PHÊ DUYỆT
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### **I. Purpose:**

The business operation of Century Synthetic Fiber Corporation is built on the confidence of customers, suppliers, partners and investors around its reputation and prestige. For more than 15 years of operation, STK has established a reputation for integrity, transparency and ethical in business. Business integrity not only brings credibility to the Company, helps the Company avoid legal problems but also makes the officers and employees proud of their workplace. The Code of Conduct and Ethical Values is promulgated in order to establish the principles and ethical values, reinforce the Company's values, enhance the credibility and ensure the sustainable development of the Company.

### **II. Application:**


The Code of Conduct is defined as the fundamental principles for the Company's members, including Board of Directors, Board of Supervisors, Board of Management and the employees of Century Synthetic Fiber Corporation (STK's members). STK's members have obligation to comply with the Code of Conduct.

STK's members should attempt to communicate and require suppliers, customers and other third parties to respect the Code of Conduct.

### **III. Ethical values:**

STK's members commit to:

- Comply with the law and the constitution of Viet Nam.
- Comply with the rules and regulations in accordance with the Charter, Corporate Governance and other regulations issued by the Company.
- Promote principles such as information security, effective management, utilization and protection of the Company's assets.
- Act for the Company's optimum benefit and minimize the interest conflict with the Company.
- Perform the responsibility towards the society and local communities in which the Company operates.
- Ensure fair and healthy competition, accurately and timely disclosure of information to avoid causing damage to the rights and interests of relevant parties
- Appreciate customers and always provide reasonable and useful solutions to satisfy customers' requirements.
- The employees, a valuable asset should be respected, treated fairly, taken care, trained and developed their abilities.

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#### **IV. Code of Conduct with related parties:**

##### **+ For Shareholders:**

Shareholder is an important party of the Company. Therefore, the relationship between STK and shareholders is always particularly focused. STK always aligns the interests of shareholders with its sustainable development. STK commits to:

- Create added value for the Company’s business activities in long term by controlling strictly, making a decision carefully, putting the interests of the shareholders ahead, avoiding the interests conflict, ensuring a safe investment, attractive dividend policy and sustainable return for shareholders.
- Supply diversified and effective communication channels such as Company’s website, annual reports, IR bulletins, investor meetings, email and telephone. STK always meet requirements on information disclosure such as transparency, accuracy, clear and timely.
- Ensure equal treatment for all shareholders.
- Ensure confidential information of investors, shareholders, unless allowed by information owners or required by the authorities.


##### **+ For Customers:**

All activities of the Company aim to build the customers’s strategic confidence: be sincere and transparent in the long-term customer relationships, put the prestige and quality of products ahead, constantly cultivate the relationships with the customers by the after-sales policies, customer care in accordance with the common standards accepted by both parties.

- The Company commits to treat the customers fairly, truthfully and respectfully, builds the relationship based on mutual benefits.
- Aims to build and maintain the customers’ satisfaction at a high level, establish a sustainable relationship by offering high quality product at a competitive price, timely and accurate shipment, excellent after sale services.
- Continuously improve and diversify products, offering optimal product selection for customers
- Protect customer’s business information.

##### **+ For employees:**

Base on STK’s value: “**Developing together:** Century’s development is aligned with the prosperity of our partners, our staffs and the community”, the employees are the Company’s valuable assets. The Company always respects, treats fairly, takes care of the employees, focuses on training and capacity development.


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- The Company offers a competitive remuneration and welfare policies, commits to ensure fully legitimate benefit of employees under “Collective Labour Agreements”, Labor Laws and other regulations of the State.
- The Company always adheres to the law and the industrial standards regarding working hours.
- The Company shall not use child labor, forced labor as well as not require the employees to pay a deposit or provide personal document in order to be employed by the Company
- The Company shall not discriminate against employees in hiring, paying, training, promotion, termination or retirement based on race, social class, nationality, religion, disability, gender, political or trade union, age.
- The Company respects the workers’ rights to form and join trade union and to bargain collectively in accordance with the laws of Vietnam.
- The Company does not support to the use of corporal punishment, mental or physical coercion or verbal abuse.
- The Company prohibits sexual harassment <sup>1</sup>in workplace.
- The Company ensures the safe working environment, health care and legitimate benefits for the employees in accordance with the prevailing regulations. The Company always pays attention to disseminate the industry knowledge and any specific hazard, focuses on occupational safety and health training.
- The Company focuses on training, creating promotion opportunities for employees.
- The Company evaluates the performance efficiency of staffs, encourages feedback, sharing aspirations and opinions from staffs for the development of the Company.

 **For Suppliers:**

- The Company commits to treat all suppliers as equal, cooperate for mutual benefits, avoid the potential conflict of interests with suppliers
- The company always adheres to the rules on tendering, negotiating and signing of contract.
- Do not share the confidential informations of suppliers with that supplier’s competitors.
- Counterfeit part policy: The Company expects that its suppliers to develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. The Company

<sup>1</sup> Sexual harassment means a conduct of sexual nature affecting the dignity of women and men, which is unacceptable, unwanted, unreasonable and offensive to recipient creating an intimidating, uncomfortable and hostile work environment. This can include physical abuse (such as indecent exposure, intentional touching, groping, pinching, even sexual assault, rape), verbal sexual harassment (such as inappropriate, indecent and implied sexual statement, repeated requests which are unwelcome), non-verbal conduct (such as indecent body-language, winks, displays of pornographic materials).

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only purchases material, part etc from authorized manufacturers and suppliers. STK maintains traceability of purchases from Suppliers, retaining the original purchase orders and other receiving documentation, including manufacturers' Certificate of Conformance, for the required document retention periods].

- GLOBAL TRADE COMPLIANCE: STK expects its suppliers to comply with all applicable laws, directives, and regulations governing the import, export, re-export and transfer of goods, technical data, software and services. Suppliers shall provide truthful and accurate information and obtain export licenses and/or consents where necessary.

**+ For Competitors:**

STK aims to improve the image and position of the Company in the industry, compete fairly on the high quality product and reasonable price. The Company always adheres to the following principles of competition:

- Compete fairly, transparently and legally: do not make incorrect or dishonest comments on the competitors's products and services, do not engage in activities to sabotage competitors.
- The Company commits to use the legal methods to collect informations about competitors, not use illegal or immoral ways to collect infomations.

**+ For Governments:**


- The Company complys with the laws and the constitution of Viet Nam.
- Do not carry out negative behaviours to gain privileges and special benefits from the government, state agencies.
- Fullfill tax obligations and contribute to local budgets as in accordance with prevailing regulations.

**+ For Media**

- Reputation and prestige of the Company are important assets that all employees have to preserve and promote.
- We coordinate with media to help them understand the company and ensure that all information we provided is transparent, accurate and not misleading.
- Investor Relation is responsible for feedback, providing informations on media. Other departments are not allowed to contact, answer any questions related to the Company.

**+ For staffs of Century Synthetic Fiber Corporation.**

- STK's staffs commit to act with intergrity and transparency, act in the best interest of our company, avoid any activities that may negatively affect the operation, reputation and prestige of the Company.


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- STK's staffs have to respect<sup>1</sup>, support each others to achieve the common goal, act transparently, do not violate personal and social ethics.
- For Company's assets: All staff members have responsibility to protect the Company's assets from damage, loss or misuse. All Company's assets are meant for business, the members do not use these properties for personal purpose.
- For intellectual property: all staff member have responsibility to protect these assets in accordance with the information security regulations.
- Confidential information: STK's staffs have to secure the information as requirement (information or material about the Company and its Customers, Customer Prospects, Suppliers, Shareholders, Business Partners, and/or personal data of the Company's employees, personnels of Customers, Suppliers, Shareholders, Business Partner, which STK's staff has or will learn of in connection with the staff's employment with the Company), comply with Information Disclosure Regulations of the Company and should not misuse the above mentioned information. Please note that these commitments become valid when members are working in STK and even after leaving the Company.
- Intellectual property: The Company is committed to respecting the intellectual property rights of third parties and expects that STK's staffs take the intellectual property rights of third parties into due consideration in their daily work.
- The staff members do not use the Company's assets, informations or position for personal benefit or cause harm to the Company<sup>2</sup>

<sup>1</sup> Disrespectful behavior includes the outrageous act or language, a remark upon personal characteristic, provocative behavior, insulting conduct that humiliates the honor and dignity of others. In addition, claiming a bad event to others, which society misjudges or think wrong about that persons, accidentally or intentionally or even jokes are considered disrespectful behavior. Assessment of the level of disrespect shown by the offender is based on the offender's attitude and awareness, intensity and duration, location and environment; their position, role and prestige in their family/ organizations/society; general valuation of society by that insulting conduct.

<sup>2</sup> A personal conflict of interest may arise when a member's personal, social, financial or political interest interfere or might interfere with that member's loyalty and independent exercise of judgment in the Company's interests. All business decisions should be made solely in our Company's best interest, and not for any personal gain. Any such potential conflict of interest must be disclosed to your direct manager, HR Department for consulting. The followings are some examples of conflict of interest:

- **Corporate Opportunities:** A conflict of interest may arise when you take advantage of personal opportunities based on information obtained through our Company, customers, suppliers, contractors, consultants or other business partners. You shall not compete with our Company, or personally take for yourself any opportunities that are discovered or generated through the use of the Company's property, information or your position in the Company.
- **Outside Business Activities:** A conflict of interest may occur when you are engaged in a second job or business of your own that may conflict with your responsibilities to the Company.
- **Personal Financial Interests:** A conflict of interest may arise when you or a relative have financial interests, a job or an important position with any of our competitors, suppliers, distributors or vendors. In addition, a conflict

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- STK's staffs avoid any relationships or activities which may affect the ability of staffs to make fair and integrity decisions when performing his/her duties.
- STK's staffs do not abuse position to accept bribes<sup>1</sup> or ask for gifts from suppliers, contractors or other third parties.
- Anti-money laundering, counter-terrorist financing and economic sanctions: As a customer centric company, STK works hard to meet customers' need but the Company do not engage in transactions that could be illegal or compromise our value. The Company is committed to international fight against money laundering and the financing of terrorism and requires that all applicable economic and trade sanctions are observed. STK's staffs should establish identities of the Company's business partners and should not engage in business with any persons which are identified on the U.S. Treasury Department's list of Specially Designated Nationals (SDN List) or any other list of prohibited parties of the US, nor on the EU Sanctions Lists.
- Accurate accounting and reporting: STK ensures that any data, information or records which the Company creates, or for the Company is responsible, are true and fair. STK's staffs should not make any false or misleading statement or entry in any report, publication record or expense claim.

## **V. RESPONSIBILITY FOR COMPLIANCE- FEEDBACK MECHANISM:**

### **1. Communication and Disclosure:**

- STK's members are accountable for compliance with the code of conduct, all regulations, policies and other guidelines issued by the Company. HR Department and managers are responsible for communicating these standards to staffs, ensuring that they understand and abide by them, creating a professional and positive innovation corporate culture.

### **2. Responsible for compliance and investigation into serious violations:**


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of interest may exist when you or a relative directly or indirectly has a significant financial investment in any company that competes, does business or seeks to do business with the Company.

- **Close personal relationships:** You should avoid supervising or taking part in the hiring or promoting of a family member. In addition, you also should avoid holding a position with access to or influence over performance appraisals, salary information or other confidential information related to a family member

<sup>1</sup> Which behaviours are deemed as a receipt of bribery, corruption and breach of the Code of Conduct?

- Any acts related to exchange of anything valuable for personal interest including: goods or services such as gift vouchers, special favourable interest related to events, entertainment, travel, pleasure trip, air tickets, free hotel rooms, financial loans or assets, agreement to enter into mortgaged loans, receipt of commissions/direct or indirect discounts or promised future job.

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- Compliance with the Code of Conduct will be monitored and supervised by the HR Department. The HR Department is responsible for reporting directly to Board of Management on developing and implementing the Code of Conduct of all STK 's members/ departments.
- The HR Department will undertake an extensive investigation into the violations and keep this process confidential. Until the conclusion is made, all employees relating to this case will be informed accordingly.
- The HR Department is required to report periodically results of investigations to Board of Management and its direct management

### **3. Improvement Mechanism:**


- Board of Management and related department (Enterprise Development, HR, Administration) will monitor, supervise and improve the Code of Conduct including establishment the channel used for collecting information, recording the suggestion,
- Any change to the Code of Conduct will be informed to STK's members.

### **4. Notification mechanism:**

- All STK's members are encouraged to contact their manager, HR or Enterprise Development Department to discuss their concern regarding the Code of Conduct.
- If you know of, or have a good reason to suspect a violation of the Code of Conduct or the regulations, policies and others Company guidelines, you have to immediately report that information to your direct manager, HR and the Managing Director. The Company will keep confidentially the individual's identity, ensuring the informer will be not retaliated, unless the information is founded intentionally misleading. The Company will only disclose information when the disclosure is:
  - ✓ Necessary in order to conduct an effective investigation and take appropriate action; or;
  - ✓ Otherwise required by law.
- Notification mechanism:
  - ✓ If the Code violation which you are reporting is related to a head of department, division head, team leader, foreman, staff or worker, you can send an email directly to HR Manager and CC Managing Director.
  - ✓ If there is a violation of this Code by a Senior Manager, you shall directly report that information to the Managing Director.

### **5. Reward and punishment**



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- STK welcomes all employees to share their opinion to the contribution/ the improvement and implementation of the Code of Conduct. All positive contributions of employee/department will be rewarded.
- For the violations of the Code of Conduct, Compliance Division will apply penalty in accordance with the procedure and regulations of the Company without discrimination. The penalty will be depended on the level of violation including reminder, warning, dismissal or processing in accordance with Vietnamese law.  
(For more information about the penalties, please refer STK's labor rules).