

# CODE OF CONDUCT & BUSINESS ETHICS

Country Supplement:

**JAPAN**

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PART I

**CONDUCT TENDING TO  
JEOPARDISE DUTY OF  
GOOD FAITH AND FIDELITY**

# Part I : Conduct Tending to Jeopardise Duty of Good Faith and Fidelity

## 1. Serious Pecuniary Indebtedness

- 1.1. For the purpose of this Section, the term “serious pecuniary indebtedness” means the state of an employee’s indebtedness which, having regard to the amount of debt incurred by him/her has actually caused financial hardship to him/her.

An employee will be deemed to be in serious pecuniary indebtedness where:-

- a) he/she is a judgment debtor, for as long as the judgment sum remains unsettled; or
  - b) he/she is a bankrupt or an insolvent wage earner, for as long as he/she remains as a bankrupt or for as long as any judgment sum against him/her remains unsatisfied, as the case may be.
- 1.2. Serious pecuniary indebtedness from whatever cause will be regarded as necessarily impairing the efficiency and effectiveness of an employee.
  - 1.3. An employee will avoid habitual indebtedness unless he/she proves that such indebtedness or insolvency is the result of circumstances beyond his/her control and does not result from extravagances or dissipation.
  - 1.4. An employee will be required to disclose the full extent of his/her serious pecuniary indebtedness to MISC at the earliest opportunity when such indebtedness is known to him/her.
  - 1.5. An employee who obtains an annulment of his/her bankruptcy may be treated as having fully restored his/ her credit standing.

# Part I : Conduct Tending to Jeopardise Duty of Good Faith and Fidelity

## 2. Borrowing Money

- 2.1. You may borrow from banks, insurance companies, co-operative societies or borrowing companies licensed under the supervision of the Financial Services Agency of Japan or other applicable government bodies supervising financial institutions or incur debt through acquiring goods by means of hire purchase agreements or other arrangements, provided that:
- a) such banks, insurance companies, co-operative societies or borrowing companies from which you borrow are not directly or indirectly subject to your official authority;
  - b) such borrowings do not lead to public scandal or be subject to construal that you have abused your position for your private advantage; or
  - c) the aggregate of your debts does not or is not likely to cause you serious pecuniary indebtedness as defined under Section 1.
- 2.2. You may not borrow from any other person engaged in the business of money lending.
- 2.3. You must comply with the limitations on borrowing set out in the Code.



# Part I : Conduct Tending to Jeopardise Duty of Good Faith and Fidelity

## 3. Living Beyond Official Emoluments and Legitimate Private Means

3.1. Where in the opinion of MISC an employee is or appears to be:-

- a) maintaining a standard of living which is beyond his/her official emoluments and other legitimate private means, if any; or
- b) in control of or in possession of pecuniary resources or property, movable or immovable, the value of which is disproportionate to, or which could not reasonably be expected to have been acquired by the employee with his/ her official emoluments and any legitimate private means.

Subject to the requirements of applicable law, MISC may call upon the employee to explain in writing how he/she is able to maintain the said standard of living or how he/she acquired his/her pecuniary resources or property and also may be required to make declaration of his/her assets which may include assets belonging to his/her family/ household. Such declarations as aforesaid should be made to your Human Resource Department.

3.2. Failure to make the asset declaration as required under Section 3.1. is viewed by MISC as a lack of commitment on the part of the employee to uphold MISC's policy on maintaining the highest standard of integrity, openness and transparency.

For the purpose of this Section, "assets" includes property of any description, whether movable or immovable, as may be prescribed by MISC from time-to-time. In respect of immovable property, assets include:-

- i. land, including land occupied under temporary occupation licence;
- ii. all types of residence such as houses, flats, apartments and condominiums; and
- iii. building, including a shop or portion of a shop, office space or stall.

In respect of movable property, assets include:-

- i. any form of cash wherever deposited or retained;
- ii. shares, stocks, debentures, bonds or other securities;
- iii. any form of trade, business or commercial licence permits; and
- iv. any other movable property, including all types of motor vehicles, jewellery, club memberships, household furniture and sports equipment.



PART II

**WORKPLACE CULTURE &  
ENVIRONMENT**

# Part II : Workplace Culture & Environment

## 1. Absence Without Leave or Without Reasonable Cause

- 1.1. An employee who is absent will, at the earliest opportunity, inform the officer of MISC to whom he/ she reports of his/her absence and the cause for his/her absence.
- 1.2. Where the absence without leave and without reasonable excuse is for more than two (2) consecutive working days, the employee will be deemed to have breached his/her contract of service with MISC.
- 1.3. Where an employee is absent for more than two (2) consecutive working days without reasonable excuse, as soon as possible thereafter a registered letter will be sent to the employee's last known address requiring him/her to provide explanation for his/her absence. Upon a lapse of seven (7) days after posting of the said registered letter, if nothing is heard of him/her or no satisfactory explanation is given by him/her, then the said employee is deemed to have breached his/her contract of service and in such circumstances MISC will have the right to terminate his/her service. In addition, MISC will be entitled to recover from the former employee concerned all sums due from the employee to MISC.





PART III  
**DISCIPLINARY PROCESS &  
SANCTIONS**

# Part III : Disciplinary Process & Sanctions

## 1. Disciplinary Process

- 1.1. Where the circumstances warrant, MISC may suspend an employee pending the investigation and/or inquiry into alleged acts of misconduct committed by the employee.
- 1.2. If the investigations reveal concrete and cogent evidence in support of the alleged misconduct, MISC may institute disciplinary action against the said employee.

## 2. Disciplinary Punishments

The Punishing Authority may after due inquiry impose any or a combination of the following punishments against the employee:

- i. written warning;
- ii. suspension with or without pay for a period to be determined by the Punishing Authority;
- iii. withholding the employee's increment for a period to be determined by the Punishing Authority;
- iv. no increment to the employee's salary for a period to be determined by the Punishing Authority;
- v. non-payment of bonus or ex-gratia;
- vi. downgrading or demoting the employee;
- vii. any other types of punishment as the Punishing Authority deems fit;
- viii. dismissal.

## 3. Punishing Authority

For the purpose of this Part III, "Punishing Authority" shall refer to the officer of MISC who has been given the authority to mete out punishment against an employee as provided by the Human Resource Department Limits of Authority.

## Part III : Disciplinary Process & Sanctions

### 4. Appeal Procedure

- 4.1. An employee who is aggrieved by the decision of a disciplinary action has the right to appeal in writing within thirty (30) days from the date of service or posting of the letter communicating the decision of the Punishing Authority.
- 4.2. The Appeal Authority is to consider the grounds of appeal set out in the letter of appeal and is required to conclude whether to dismiss the appeal or to allow the appeal by either:
  - a) reversing the finding of guilt; or
  - b) reducing the punishment.
- 4.3. The Appeal Authority shall consider the appeal on the basis of the written submissions by the aggrieved employee and also after considering the report of the Domestic Inquiry and the grounds for the decision as made by the panel of the Domestic Inquiry.
- 4.4. For the purpose of this Section, “Appeal Authority” shall refer to the officer of MISC who has been given the authority to consider and decide on appeal as provided by the Human Resource Department Limits of Authority.





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