

HSBC Code of Conduct

Introduction – HSBC Values
and business principles



Values

Our values describe how we interact with each other and with customers, regulators and the wider community. All Employees are expected to have and reflect our values in their day-to-day behavior.

Dependable and doing the right thing

- ◆ Stand firm for what is right, deliver on commitments, be resilient and trustworthy
- ◆ Take personal accountability, be decisive, use judgment and common sense, empower others

Open to different ideas and cultures

- ◆ Communicate openly, honestly and transparently, value challenge, learn from mistakes
- ◆ Listen, treat people fairly, be inclusive, value different perspectives

Connected with our Customers, communities, regulators and each other

- ◆ Build connections, be externally focused, collaborate across boundaries
- ◆ Care about individuals and their progress, show respect, be supportive and responsive

In all we do, each of us should act with courageous integrity, standing firm for what is right.

Business principles

Our business principles direct how our business strategy is executed. They set a standard for how we make commercial decisions:

- ◆ Financial strength – maintain capital strength and liquidity
- ◆ Risk-management – be enterprising and commercial, understand and be accountable for the impact of our actions, take prudent decisions
- ◆ Speed – be fast and responsive, make principles-led decisions
- ◆ Performance-focus – drive leading, competitive levels of performance, act with urgency and intensity, prioritise, simplify
- ◆ Efficiency – focus on cost discipline and process efficiency
- ◆ Quality – pursue excellence
- ◆ Customer-focus – provide outstanding customer experience
- ◆ Integrated – align the Group and break down silos
- ◆ Sustainability – take a long-term outlook, understand impact of actions on stakeholders, brand and reputation

Conduct

Management of conduct is a critical component of all our business activities including, for example, the Bank's strategy and business models, our culture and behaviours, our interaction with customers, our financial markets operations, and our governance and oversight processes. HSBC's approach to conduct is designed to ensure we deliver fair outcomes for our customers and do not disrupt the orderly and transparent operation of financial markets.

Focus on conduct is integral to our values and principles, and supports the Bank's strategy for sustainable growth and streamlining of business processes and procedures. Conduct is also a key area of scrutiny by regulators globally.

General

This Code of Conduct ("the Code") together with the Rules set out herein shall apply to all Employees and Contractors of the Bank who shall also observe any additional rules to which they may be subject.

The Code also includes references to the Mauritian legislations and regulations in which relate to the conduct of all Employees and Contractors of the Bank.

Each Employee and Contractor shall at all times conscientiously serve the Bank. They should readily comply with all lawful orders and directions of the directors, managers and all other officers of the Bank having authority over them. They shall in all things and at all times so conduct themselves appropriately in order to maintain the good reputation of the Group.

- ◆ You shall refer to and abide by the policies and legal rules set out in the respective sections of the Code
- ◆ You are bound by and shall comply with all codes, notices, circular letters, rules, regulations, policies and procedures of the Bank as amended from time to time. The relevant codes, notices, circular letters, rules, regulations, policies and procedures are available on the staff intranet
- ◆ You shall not do anything that may affect the trust and confidence that the Bank places in you
- ◆ You must not act at any time in any way which, in the opinion of the Bank, might cause the Bank to be brought into disrepute
- ◆ You must at all times act with the utmost integrity and honesty in all your personal and business dealings
- ◆ You must report any known breaches of rules or regulations, including those committed by your fellow Employees, to your entity manager or appropriate manager as soon as you become aware of them

More generally, it is the policy of the Bank that members should comply with both the letter and spirit of all relevant laws, codes, rules, regulations and standards of good market practice in each jurisdiction around the world where they conduct business.

Any breach will give rise to disciplinary action and may, where applicable, give rise to criminal prosecution.

The following are extracts of the rules under the Code and are applicable to HSBC entities including, The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch and HSBC Bank (Mauritius) Limited.

1. Rule 1 – Compliance with financial services regulations and rules

1.1. Personal Finance and borrowing

You are expected at all times to conduct your personal finances in accordance with the relevant Bank's rules and conditions under which financial facilities are granted to you.

1.2. Employee bankruptcy

Employee bankruptcy or other personal financial mis-management is a very serious matter. Once an employee is adjudged bankrupt or, as an alternative to or before being adjudged bankrupt, has entered into a composition with his creditors (Insolvency Act, Borrower's Protection Act and as per the laws and regulations applicable in Mauritius), the Bank will take action in accordance with the provisions of the Hong Kong Banking Ordinance (Chapter 155 Section 73) which requires the employee to obtain consent in writing from the regulatory bodies both in Hongkong and Mauritius to continue to act as such employee.

1.3. Lending – conflict of interest

You shall not grant credit or loans to yourselves or any connected persons (eg Relatives, immediate entity manager, direct reports, partners or friends), or companies in which you or any connected persons have an interest.

1.4. Personal account dealing rules

You shall not transfer, buy or sell ("deal" in) assets or instruments that create a conflict of interest, or in a way that constitutes market abuse.

1.5. Money laundering and Sanctions

1.5.1. Money laundering

You must abide by all published money laundering rules, regulations and procedures.

1.5.2. Sanctions

All Bank staff must conduct business in accordance with sanctions laws and regulatory guidance from the United Nations, HM Treasury, the European Union, the United States Treasury Department's Office of Foreign Assets Control (OFAC), the Hong Kong Monetary Authority, and/or any local competent authorities in places where HSBC operates in, that is, Bank of Mauritius or the Mauritius Financial Services Commission.

1.6. Compliance risk

All Employees and Contractors must observe high standards of integrity and fair dealing in the conduct of business and to act with due skill, care and diligence. You must be fully aware of your responsibility to comply with applicable laws, rules and codes and to abide by all published compliance regulations including the Bank's policies and procedures.

1.7. Operational risk

All Employees and Contractors are responsible for managing and mitigating operational risks in their day to day operations. In executing these responsibilities, the Group has adopted risk management and internal control structure referred to as the 'Three Lines of Defence' (3LoD).

1.8. Data protection

You should handle carefully information relating to individuals, such as Customers and Employees, in compliance with the Data Protection Act 2017 and common law confidentiality obligations.

2. Rule 2 – Conduct in obtaining/granting business and business facilitation

2.1. Bribery offence

All Employees and Contractors should note carefully the Bank's Anti-Bribery and Corruption Policy and the Bank's Gifts, Entertainment and Charitable Giving Policy.

3. Rule 3 – Obtaining approval before seeking or accepting an outside activity

Employees are responsible for notifying their line manager of any activities relating to any of the conditions set out in the scope of this procedure by completing the Outside Activities Authorisation Requests form.

4. Rule 4 – Copyright and intellectual property

It is the Bank's policy to respect intellectual property rights and not to use infringing articles in our business. All Employees and Contractors must comply with the Copyright Policy when discharging their duties.

5. Rule 5 – Security and fraud prevention

In the interests of security, fraud prevention, your safety and customer service, the Bank reserves the right to take appropriate measures and steps to that effect.

5.1. Information security

Protecting customer confidentiality and internal Bank and Employees information is of paramount importance to HSBC. Information Risk occurs when information held by the Bank wherever it resides and in whatever format it is stored, lost, stolen, manipulated, or disclosed to any unauthorised persons.

Confidential Bank information, if falls in the wrong hands, could lead to criminal activity, reputational damage or a breach of privacy. Employees must comply with the Bank's security measures which are in place in respect of use of information, data protection and communication of information.

6. Rule 6 – Social media

Social media is defined as third-party websites and applications that enable users to create and share content or to participate in social networking. Essentially, this means anywhere online where you can comment, like or share with your personal networks as well as with the wider world.

6.1. Guidelines for business use of social media

Any use of social media for business purposes must be approved prior to launch in accordance with the Bank's policy and must be fully compliant with all relevant requirements.

6.2. Guidelines for personal use of social media

Employees are reminded that behaviour within social networking and other public online spaces whether inside or outside the workplace which would be unacceptable face-to-face or by telephone or email is also unacceptable on-line.

7. Rule 7 – Responding to media enquiries

The scope of this policy includes Employees and Contractors engaging with media as well as representing the bank at public events such as conferences.

8. Rule 8 – Diversity and inclusion

HSBC rules on Diversity and Inclusion is in line with the Equal Opportunities Act 2002 in Mauritius and pro-actively discourage any form of direct and indirect discrimination.

9. Rule 9 – Conflict of interest

A Conflict of Interest (“Conflict”) is a situation or arrangement where HSBC and/or any of its workers is subject to multiple influences, the competition of which might adversely affect decision-making or outcomes in the course of conducting business.

Staff are responsible for complying with the Bank’s policy on Conflict of Interest. These responsibilities include: assisting in the identification, and prevention or fair management, of Conflicts; acting with integrity and exercising good judgment; acting with the requisite degree of independence and objectivity; escalating instances of Conflict in a prompt and appropriate manner; disclosing any personal Conflicts through the proper channels; and working in the best interests of Clients.

10. Rule 10 – Training and accreditation

All employees must complete certain mandatory training courses assigned to them by the Bank, either as a one-off initiative to meet a specific requirement, or annually to ensure all employees are kept informed on certain topics and issues or in compliance with local regulations. In addition, you may also be required to maintain and/or obtain certain accreditations as applicable to your role.

11. Rule 11 – Workplace violence

You are prohibited from engaging in any act or threat of violence against any person, including any other Employees, Contractors, Customers or suppliers. If you become aware of any act or threat of violence at workplace, you should report the matter to Human Resources Department.

12. Rule 12 – Reporting fraud, theft, bribery or illegal activities

You shall be alert and vigilant with respect to frauds, thefts, bribery or significant illegal activity committed within the office.

13. Rule 13 – Code of conduct breaches/criminal offences

13.1. Personal conduct breaches

We rely on our employees to deliver fair outcomes for our customers, and to make sure we act with integrity in the financial markets.

13.2. Disclosure and reporting

All employees, contractors, consultants and service providers are responsible for identifying and reporting personal conduct breaches. These should be reported to either their line manager or, if an information security breach is identified, to their Business Information Risk Officer.

13.3. Whistleblowing and HSBC Confidential

The Bank’s whistleblowing arrangements through HSBC Confidential are intended to provide a safe method for individuals to report concerns and are a critical aspect of promoting a culture of openness and transparency, in support of the Bank’s Charter.