

# Code of Conduct – group-wide guidelines for all employees

Dear colleagues,

Our Bank thrives on the trust our clients place in our performance and our integrity.

We claim to do justice to this trust at all times and in every relationship. In order to achieve this, it is necessary not only to provide an outstanding service at all times, but also cultivate a business practice which is characterised by a high degree of integrity, loyalty and values.

In this Code of Conduct we have set out guidelines which form the basis for all of our Bank's activities. The values and principles anchored in the individual guidelines apply to everyone: to us, the members of the Management Board, as well as to every one of our employees. Our aim is for each individual to play their part so that we can always carry out our business with this in mind. We are counting on your cooperation.

Düsseldorf, August 2016

The members of the Management Board, Germany

## 1. Our conduct

As a German commercial bank with a long private banking tradition, we want to take on a pioneering role in a business world characterised by international connectivity. Even though we operate in a competitive environment, we constantly aim to treat clients, business partners and colleagues in a professional, respectful and fair manner.

This Code of Conduct represents a clear commitment to democracy, tolerance and equal opportunities. Every employee has the right to preserve his or her basic human rights. We are particularly careful that no employee of the Bank is discriminated on account of their age, origin, gender, religion, sexual orientation, marital status, political opinion or ethnic background. It is important to us to secure the wellbeing of our employees and protect them from physical and psychological harm.

We trust that all of our employees will take on their respective professional responsibility both inside and outside the Bank with the greatest degree of professionalism and loyalty and will act with courageous integrity at all times, i.e. acting dependable and doing the right thing, open to different ideas and cultures and connected with our customers, communities, regulators and each other.

## 2. Compliance with provisions

As a bank operating within the global HSBC Group, we are obliged to comply with all of the laws and provisions applicable to our business in the respective jurisdictions in which we operate. When carrying out this business, each one of us is responsible for fulfilling legal, regulatory and internal provisions. Every employee is obliged to observe the HSBC Business Principles, e.g. commitment to clients and performance, risk management and sustainability. Moreover, we all need to apply the highest possible standard to the HSBC values which state that we need to be dependable, open and connected not only to our clients but also to our colleagues. In this context, the HSBC Group's

“Global Conduct Policy” is to be mentioned that deals with fair customer outcome and the integrity of the financial markets and should serve as a guidance for all our staff. The Policy is focussed on special behaviour goals based on the five pillars *Strategy and Business Models, Culture and Behaviours, Customer, Markets and Governance and Oversight* which have specific manifestations in every business line.

In addition to this, the “HSBC Charter” provides worldwide guidance for taking the right decisions according to our company values and the Global Standards, particularly in difficult situations.

Particular importance is also attached to dealing with insider information. This is one of the topics which is regulated in detail in the Bank's compliance concept, to be observed strictly as an important component of the contracts of employment.

Further equally important internal Bank provisions are in particular, but not exclusively, detailed as follows: the operating regulations (Betriebsordnung), the working time regulations (Arbeitszeitordnung), the money laundering guidelines (Geldwäsche-Richtlinien), the Gift & Entertainment Policy and the IT user guidelines (IT-Benutzerrichtlinien).



### 3. Our interests

The concerns of our clients and the Bank must always take priority over our own personal interests. Conflicts of interest can be used to question the integrity and professionalism of the Bank and its employees. It is therefore important to us that our employees act professionally, with courageous integrity and loyalty at all times.

Accepting and giving gifts, services and other benefits can question the independence of the individual employee or that of the Bank. For this reason, such acts are only permitted within a strict framework. Details of this are regulated in the Bank's Gift & Entertainment Policy.

In order to avoid conflicts of interest it is also necessary for employees to fully devote their working activities to the service of the Bank for the period of their employment contract and to only carry out business independently, pursue secondary employment or act as business partner in another company with the Bank's prior consent.

For preventing and identifying economic crime, other illegal activity or breaches of international and external policies, an information system was established at HSBC Germany assuring employees a discrete and anonymous communication channel to submit hints by engaging an ombudsman (Whistleblowing). Furthermore our employees are required to take all of the measures necessary to avoid any conflict of interest.

For the same reasons detailed above our employees are also obliged to settle their private financial affairs in an exemplary manner.

### 4. The Bank's assets

Within the scope of our respective responsibilities we, the members of the Management Board, as well as each employee are responsible for the Bank's assets entrusted to us. Its entire business assets, i.e. its operational facilities and its other material and intellectual property as well as business documents, shall be used exclusively in the Bank's interests. This includes alongside careful use, specifically the targeted, efficient and cost-aware deployment of its entire assets. Moreover, it is in all of our interests to protect natural resources. It is therefore of particular importance to us that each individual employee tries within the scope of his or her working activity to find environmentally-friendly solutions and to deal responsibly with the environment.

Finally, each of us is obliged in both our professional and private life to refrain from anything which could impair the operational organisation and the workflow or damage the Bank.

### 5. Confidentiality and cooperation

Our clients rely on the fact that the observance of banking secrecy enjoys absolute priority at the Bank and that we treat their financial matters in strict confidence. For this reason alone it is our primary goal to avoid every breach of the trust placed in us and our Bank.

This requires that all employees maintain strict silence regarding the knowledge of personal and business relationships, facilities and matters relating to the Bank and its clients which they have gained as a result of their activity. This obligation applies inside and outside the workplace and also continues after the termination of the employment contract.

It is also essential that our employees apply the highest possible standards of care and are risk-aware when dealing with and storing data and also suitably protect confidential information and business documents from access by third parties or uninvolved colleagues.

It is of particular importance for us that we all succeed in communicating with each other as openly as possible, exchanging information and maintaining a working environment which is characterised by team spirit and cooperation at the same time as maintaining the necessary confidentiality. The interests of the team should always take priority over the interests of the individual. This is the only way to succeed in achieving the greatest possible efficiency which professional business practice requires. Only in achieving the above can we do proper justice to the warranted trust our clients place in the Bank and its employees.

### 6. Our responsibility

We pursue a corporate responsibility strategy according to which responsible entrepreneurial action comprises economic, ecological and social responsibility. This is reflected in our social and cultural commitment, in our relationship with our employees, in the responsible use of resources, but in particular also in our core business activity.

Our Code of Conduct defines the responsibilities of each individual. Accordingly, each employee is obliged to read and follow these guidelines. Infringement can involve disciplinary or labour law consequences.

This Code of Conduct is of even greater importance for our managers. They must ensure the observance of the guidelines by taking suitable measures and emphasise through their actions the importance of the guidelines within the scope of the exemplary function they take on.

It is the joint responsibility of all of us to make sure that the guidelines set out in the Code of Conduct are adhered to.