



**BANK OF CHINA (Europe) S.A. Lisbon Branch –
Sucursal em Portugal**

CODE OF CONDUCT

September 2021

(Updated as of November 2023)

The Bank hereby sets out this internal code of conduct in general reference to the professional code of conduct of the Bank of China (Europe), S.A., the Bank of Portugal's regulation, the traditions of the financial sector, as well as the Bank's corporate values and standard of ethics appropriate to its business and clientele.

Pursuant to the regulatory requirements by the Commission de Surveillance du Secteur Financier of Luxembourg (CSSF) as well as Bank of Portugal, and without prejudice to such other professional standards as may be applicable, this Code of Conduct (hereinafter referred to as the "**Code**") aims to promote the standards of reliability, strength, professionalism and proficiency, to encourage the responsible attitudes of the Bank's staff both internally towards colleagues and externally towards the Bank's business counterparties, customers and other contacts, and to safeguard the reputation of the Bank and the Bank of China Group.

The Code shall be approved by the Bank's management and subsequently provided to all employees of the Bank for their observation and compliance. All staff members of the Bank shall respect the principles of integrity and quality inherent in their professional activities and obligations.

The Code sets out the following basic principles:

1. Loyalty, fairness and integrity

The Bank's staff shall act with loyalty, fairness and integrity in their relations with clients, other financial sector professionals, and the markets; they perform their undertakings in good faith.

1.1 Relations with clients

For the purposes of this Code, the term "client" means any natural or legal person, or any legal arrangement, with whom a member institution or financial sector professional enters into a business relationship, including joint account holders and holders of powers of attorney. It also covers and includes prospective clients and beneficial owners.

1.1.1 Pursuant to the legal requirements to "know your client", the relationship between a professional and client is founded strictly on its personal nature. The opening of a business relationship involves a judgment on the client. While differentiating between clients on the basis of a professional's own commercial policy and in compliance, inter alia, with the statutory provisions on client classification, tax compliance and on the prevention of money laundering and the financing of terrorism, professionals form an opinion on, and deal with clients without discrimination on grounds of origin, skin color, gender, sexual orientation, gender reassignment, gender identity, family situation, age,

state of health, handicaps, adherence to accepted principles of morality, political or philosophical opinions, trade union activities, ethnicity, nationality or religious creed.

1.1.2 The Bank ensures that its personnel acts honestly and with loyalty, fairness and integrity in the best interests of their clients. They ensure that their clients are given a good service in compliance with the applicable legal obligations and, taking into account the particular situation of the client concerned, the client's understanding and awareness of the risks involved, the client's financial capacity and literacy as well as any other constraints to which the client may be subject.

They ensure that their clients are provided with up-to-date documentation describing, transparently and clearly, the service or product offered, the costs and charges, the constraints, the related risks, and give them advance notice of any subsequent change to the relevant terms and conditions.

They set out in a comprehensible and clear manner relevant risks and commitments to be assumed by clients.

1.1.3 They make every reasonable effort to avoid conflicts of interest and, if such conflicts arise nevertheless, ensure that the relevant conflict is resolved; if and when this is not possible, make sure that such conflict is disclosed and that their clients are treated fairly.

1.1.4 They endeavor to listen to their clients and, if a complaint is submitted to them, do everything reasonably possible to act upon it in a diligent and objective manner. In doing so, they put in place efficient and transparent procedures for dealing with complaints in a reasonable manner and without undue delay. They inform their clients understandably and comprehensively of the steps needed to be taken in order to submit a complaint and of the procedure for dealing with it. They keep clients informed of relevant action taken in relation to their complaints.

Where a situation arises that could lead to a dispute, they initially attempt to achieve an amicable settlement. If this proves impossible or unwarranted, they examine whether recourse to mediation is possible and desirable. In that context, their general terms and conditions, and their contracts, may include mediation clauses.

1.2 Relations with financial sector professionals

The Bank's staff shall respect the rules of true and fair competition.

1.2.1 They ensure that their advertising presents an honest and fair picture of their activities and services, in line with legal marketing restrictions. They do not claim superiority or exclusivity in relation to the competition through exaggerated, insidious or denigrating advertising.

1.2.2 They do not seek to stand out from their competitors by claiming qualities which are required, without exception, by law of all duly licensed and / or registered professionals.

1.2.3 They do not abuse a dominant position.

1.2.4 They refrain from diverting clients from competitors for their own advantage by using means which are contrary to fair competition practices.

1.3 Relations with the markets

The Bank's staff members act honestly and fairly at all times. They organize their activities in such a way as to preserve the integrity of the markets and to comply with the rules by which they operate.

1.3.1 They make every effort to respect the transparency and security of the different markets in accordance with the rules which govern them.

1.3.2 They put in place procedures designed to prevent insider trading or market manipulation on the part of their personnel or any participation in such operations by their clients. In particular, they maintain the confidentiality of privileged information and do not exploit or use that information for purposes other than those for which it was communicated to them.

1.3.3 When Bank's staff members operate in several different capacities, they establish an appropriate distinction between the functions or activities which are likely to generate conflicts of interest, e.g. by providing for separate decision-making centers. If such separation cannot be achieved, they establish special working recommendations and organize supervision of the operations concerned. They undertake, in each case, to identify, assess and manage risks of conflicts of interest.

1.3.4 Bank's staff do not effect retroactive reassignment of operations which have been performed unless specific arrangements have been made in advance.

2. Competence, care and diligence

The Bank's staff members act with diligence and care when supplying products and services. They possess the competence, resources and procedures required to implement their activities, services and product offering effectively.

2.1 Adequate resources

2.1.1. They make sure to put in place the procedures needed for proper and prompt provision of the different products and services offered by them.

2.1.2. They make sure to have available the resources necessary for the proper performance of transactions:

- They have an adequate internal organization documented by appropriate formal procedures enabling them to show and prove in detail the origin, transmission and performance of orders;
- They draw up accounts enabling the transactions performed on behalf of their clients to be individually identified;
- They set up an appropriate transaction monitoring and recording system to comply with applicable legal requirements arising for the relevant type of transactions.

2.1.3 They set up appropriate procedures to monitor dormant accounts and unclaimed assets. In such cases, they apply the principles of loyalty, good faith, diligence and due care to the management of their client's assets.

2.1.4. They operate an information technology system which enables them to comply with applicable legal requirements.

2.1.5. They put in place adequate and effective measures to monitor their internal systems and procedures.

2.1.6. They arrange for an adequate separation of implementing and supervisory responsibilities.

2.1.7 They put in place an appropriate policy for the selection of their business partners and external service providers.

2.1.8 They appoint at the appropriate hierarchical level persons responsible for controlling and guaranteeing the effectiveness of internal procedures.

2.2 Fair workplace and staff characterized by competence and probity

2.2.1 Put in place a recruitment policy with a view to having an honest and competent workforce, including, as the case may be, means of checking information provided by would-be employees. They promote diversity in their recruitment policy, avoiding undue discrimination.

- 2.2.2 They ensure that their personnel acts honestly and that they perform their job with the care and diligence required. They endeavor to make their personnel aware of the need to respect the principles of loyalty and probity, thereby helping to maintain the reputation of the Bank, Bank of China Group.
- 2.2.3 In order to have a competent workforce, they establish training programs aimed at ensuring that their employees' professional and personal competencies are kept up to date, in line with applicable legal and regulatory requirements, as well as at developing their employees' employability. They ensure that their relevant personnel possesses, at all times, adequate knowledge of the products and services on offer together with the legislative and regulatory framework in force, particularly with regard to professional obligations on the fight against money laundering as well as the relevant data protection requirements. They ensure that their relevant personnel is sufficiently and appropriately trained with regard to the functions and services they perform.
- 2.2.4 They provide appropriate information to their personnel on the laws, regulations and ethical rules applicable and give them appropriate training in that regard. In particular, to the extent that they draw up an internal code of conduct for the attention of their personnel, such internal code of conduct is expected to reflect, in substance, the principles of this code.
- 2.2.5 In order to ensure a sound relationship with relevant parties involved outside their institution, and in particular to avoid an undue risk of corruption or a potential conflict of interest, they establish relevant policies in relation to anti-bribery and corruption, gifts and entertainment, as well as inducements.
- 2.2.6 Establish venues and protocols for their employees to report internally, through a specific and independent channel, relevant breaches of professional obligations without the risk of retaliation or discrimination, as per Bank of Portugal and Data Protection Regulator's requirements.
- 2.2.7 They implement policies for the management of external activities and mandates in which their personnel may engage and which fall outside the ambit of their work for their employer. In that regard, the Bank identifies, and establishes the framework for particular cases in which their employees and close relations of their employees may carry on a management, leadership or administration function within a third company that could give rise to a conflict or conflicts of interest.

2.2.8 They put in place rules governing personal account dealing of their managers and personnel, accompanied by appropriate means of supervision.

2.2.9 They ensure that their employees are treated with dignity and respect and that relations between employees are likewise based on respect, trust, esteem and mutual professional support, communication and cooperation. In that context, they ensure, in particular, the exclusion of discriminatory behavior. They endeavor to promote the well-being of employees, to achieve a sound workplace and healthy work environment, bearing in mind a sound balance between work and private life.

In dealing with relevant staff complaints, they respect the principles of discretion, dignity and privacy. They put in place procedures requiring complaints to be dealt with impartially and within a reasonable time. No disciplinary action may be taken against any person who, in good faith, has exposed or resisted an act classifiable as discrimination or harassment or who has provided evidence in relation to any such act.

3. Respect for private life and confidentiality

The Bank's staff member respect the duty of confidentiality and discretion with regard to both clients and third parties. They protect personal data stemming from natural persons by processing them in a lawful, fair and transparent manner.

3.1. Information obtained by the Bank's staff members in the performance of their commercial and professional functions shall only be disclosed where such disclosure is lawful

3.2 Bank's staff members ensure that their internal policies set out obligations relating to professional secrecy and the processing of personal data.

3.3. They ensure respect for privacy and for the protection of personal data by collecting data for specified, explicit and legitimate purposes while making sure that only the minimum required data to fit a clearly defined purpose is being used in a processing. Any other data classified by them as sensitive or confidential shall also be appropriately stored and secured with a delimited access earmarked only to accredited employees.

3.4 They shall not exploit or use information about the Bank's customers for any purposes other than those for which such information was made available to them in compliance with the rules for the

protection of personnel data, including the principles of transparency and customer access to data concerning him/her.

3.5 Without the authorization of employer, employee shall not discuss, comment upon, disparage, or disclose any information, in any manner or form, directly or indirectly, to any person or entity, about:

- the Bank
- the Bank's officers, directors, shareholders, agents, other employees, or other representatives and
- any other aspect of Employer's business or operations.

3.6 Employee shall not assist, or cooperate with, any other person or entity in committing any act which, if committed by Employee, would constitute a violation of this section.

4. Compliance with laws and regulations

All employees of the Bank shall comply loyally and rigorously with the letter and the spirit of the norms and rules applicable with the performance of their duties.

4.1 They shall cooperate fully with the authorities in the application of the laws and regulations.

4.2. They shall take measures to prevent any use of the Bank's services for the purpose of money laundering or the financing of terrorism.

5. Security and reliability

The Bank's staff shall make sure to protect the security of the assets entrusted to the Bank and the reliability of the services provided by them.

5.1 They shall take particular care to ensure secure processing of data, in particular by information technology methods, especially when such information is of a nominal and/or of a confidential nature.

5.2 They shall make sure to manage the assets entrusted to them in a secure manner.

5.3 They shall ensure that full information on agreements reached with the customers and full details of the transactions and operations performed are documented and retained.

All employees of the Bank shall respect the principles set out in the Code, and follow the Bank's internal procedures for the correct implementation of these principles.

Disciplinary measures shall be taken as the Bank may deem appropriate against any employee of the Bank who breaches these rules knowingly or through negligence, and causes damage to his/her own profession and to the reputation of the Bank, Bank of China Group.

6. **Commitment sound: Corporate Governance**

Corporate governance, inter alia, determines the allocation of authority and responsibilities to the statutory and management bodies acting, as the case may be, in supervisory or executive function.

In this context:

- 6.1. The Bank considers its size, its internal organization and the nature, scale and complexity of its activities when developing and implementing corporate governance measures.
- 6.2. The statutory body in its supervisory function typically sets, approves and oversees the implementation of strategies, risk management framework, allocation of responsibilities, reporting lines, and internal control framework.
- 6.3. Members of the statutory body in their supervisory function are qualified – and maintain such qualification –, individually and collectively, for their positions. They understand their oversight and corporate governance roles and responsibilities, and exercise sound and objective judgment.
- 6.4. Under the direction and oversight of the statutory body in its supervisory function, the statutory and / or management body, in its executive function, carries out and manages the Bank's activities in a manner consistent with the approved business strategy, risk appetite, remuneration and other policies.
- 6.5. The Bank's governance framework defines and promotes its risk culture, corporate values, code of conduct, and conflict of interest policy.
- 6.6. The Bank's governance framework sets up independent internal control functions (risk management, compliance and internal audit) and ensures that risks are identified, monitored and mitigated on an ongoing basis.
- 6.7. The Bank's remuneration structure supports sound corporate governance and risk management.
- 6.8. The Bank's governance framework establishes business continuity management for identifying its exposure to internal and external threats. It includes disaster recovery, business recovery, crisis management, incident management, emergency management and contingency planning.

6.9. The Bank's governance framework is transparent to its shareholders and clients, to market participants and to other relevant stakeholders.

7. Commitment: Responsible Banking

The Bank makes every effort to behave in a socially responsible manner. In a continuously evolving environment, the Bank commits to be transparent and clear about how its products and services may create value for its clients and investors, and how it impacts the society.

7.1. The Bank considers how to integrate environmental, social and corporate governance ("ESG") aspects in its policies and to align its business strategy and key business decisions accordingly. The Bank tends to establish policies, management systems and controls to ensure that identified ESG objectives and targets are integrated into its decision making processes across its entity.

7.2. The Bank identifies and assesses potential positive and negative ESG impacts resulting from its capital allocation decisions, provision of products and services, as well as lending policies. In particular, the Bank engage towards sound and responsible business practices, including the incorporation of ESG considerations, including human rights, into its credit and investment appraisal processes.

7.3. The Bank endeavors to develop ESG strategies and define measures on areas such as development of new products and services or sustainability-related incentives and contractual conditionality. Such strategies and measures also apply in relation to external partners and service providers.

7.4. The Bank develops policies designed to increase awareness of clients in relation to sustainability and ESG matters, including, but not limited to, financial literacy and financial inclusion.

7.5. The Bank promotes the well-being of their personnel and respect the latter's rights as employees. Conversely, they shall foster ethical and responsible behavior of their personnel.

7.6. The Bank endeavors to integrate in their periodic external disclosures non-financial information in relation to ESG matter.

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