Code of Conduct

- **Our Values**

a) Fabric of Our Culture

Being the largest commercial bank of China, the bank has been actively contributing in the development of the China Pakistan Economic Corridor (CPEC) and related initiatives, and will go on playing more important role in the upcoming 2nd stage of China Pakistan Economic cooperation.

In view of these and led by the origins of the bank Group corporate culture “Integrity Leads To Prosperity”, with the contributions of our staffs, the Bank has shaped its own corporate culture slogan as CIPEC: “CHINESE INITIATIVES & PAKISTANI ELEMENTS CONNECTED”, in order that our people are inspired to strive for sustainable business development, extraordinary performance and contribution to bilateral economic and social collaboration between the two countries by aligning Chinese initiatives like One Belt One Road (OBOR), CPEC etc. with Pakistani elements like intelligence, talents, resources and business opportunities.

b) Fundamental Concepts

The acronym of “CIPEC” defines the basic principle of conduct for the Bank as well as for the employees; each character represents a fundamental concept which becomes the fabric of the Bank's corporate culture:

C= Compliance

Compliance is the base line of our business operation.

I= Integrity, Inclusiveness

Integrity leads to prosperity.

Inclusiveness leads to collaboration and success.

P= Profession, Passion

Professional services to our valuable customer are our goal.

Passion is the energy that keeps us going.

E= Execution

No Execution, no destination and perfection.

C= Commitment, Collaboration

Individual commitment to the organization makes the Bank work.

Collaboration is the key to the Bank's success.

- **Our Principles of Conduct**

While operating under the guidelines of our core values, the bank's principles of conduct constitute the behavioral norms of our corporation and form a framework on which the approaches and behavior of our people is based.

While operating under the fundamental guidelines of our core values i.e. CIPEC, the Bank's principles of conduct constitute the behavioral norms of our bank and form a framework on which the approaches and behaviors of our people is based.

a) Compliance

Compliance is the base line of our business operation.

Compliance and prudence are what make the bank's corporate culture distinct. As a world-famous financial corporation, the bank has been always following closely the guiding principle of achieving stable and long-term growth and attaching great importance to risk prevention and control in our operations, which duly creates management values that ensure standardization, precision and prudence. Complying with laws and regulations, pursuing prudent business operations, and controling risks thoroughly constitute the foundation of our operation.

b) Integrity

Integrity leads to prosperity.

the bank people take pride in their integrity and pursuit of progress. It is these values that have helped the bank secure its place as a leader in the financial industry, and that will guide its future development. Integrity and diligence lie at the heart of the bank's corporate culture. As a financial corporation, honesty has always been our foremost guiding principle. We understand the importance of taking the utmost care in all we do—whether that is providing services to the public, bringing about economic growth, or supporting social development.

c) Inclusiveness

Inclusiveness leads to collaboration and success.

the bank as an international bank values local culture elements and diversified environment during its operation. Difference can be challenging, but it is diversity and inclusion that leads to gifted talents with different prospective and surprising business opportunities.

d) Professional

Professional services to our valuable customer are our goal.

Being professional and sincere in our service to clients to increase clients' satisfaction and providing professional and customized products with value-add services ensure the Bank's long term sustainable business development and good market reputation.

e) Passion

Passion is the energy that keeps us going.

Passion fills us with meaning, strength, anticipation and happiness, which constitute powerful force for us in accomplishing any goals ahead, and experiencing work and life to the fullest extent possible.

f) Execution

No Execution, no destination and perfection.

In the bank, we believe in execution culture that our people never believe in conditions, excuses or give up, we believe that everything is possible and always give 100 percent endeavor.

g) Commitment

Individual commitment to the organization makes the Bank work.

In the bank, we believe that the Bank's success is built on every employee's commitment to his/her duties and pursuance of excellence.

h) Collaboration

Collaboration is the key to the success.

In the bank, we believe that the Bank's better achievements needs teamwork, partnerships and entire corporation of our expatriate and local talents, and we encourage collaboration to promote effectiveness, innovation and life-long learning.

- **Compliance with Local Laws**

All employees must strictly comply with all the laws of the Islamic Republic of Pakistan, during work hours as well as after work hours.

- **Confidentiality and Accuracy of Information**

Bank affairs are to be treated as confidential and should not be discussed with third parties during or after employment with the Bank. All employees are obligated to protect confidential information about the Bank, its vendors and customers including but not limited to trade secrets or any other confidential information that may give an undue advantage to the recipient of such information.

Sharing of information during the course of business must be honest and never designed to mislead. Sharing information with other department or their staff is allowed only if such transmission of information is a part of your job. Such information may be shared with other departments and staff on a need to know basis with the permission of Director of the Department. Staff information (salary, employment levels etc.) should not be shared with any other staff member. Further, upon termination of their employment, employees may not copy or retain any document or other materials belonging to the bank.

- **Gifts & Entertainment**

All employees are prohibited from giving, seeking or accepting anything of value in connection with any transaction or business of their financial institutions. Accepting or soliciting anything of value for the benefit of a third person or third party also is prohibited.

These restrictions generally do not apply to:

a) Gifts or entertainment based on family relationships, where it is clear that the relationship is the motivating factor for the gift (except in certain circumstances when the family member is an official or employee of a government entity that does business with the bank).
b) Awards given as part of approved company-sponsored recognition programs.
c) Nominal gifts between coworkers on appropriate occasions.

Also:

d) You must comply with the bank's solicitation guidelines when you're asking employees to contribute to a gift for a coworker.
e) You're responsible for following any other requirements that apply to your business line.

i. Giving Gifts

You may give gifts only for legitimate business reasons and never to secure business or influence a decision. Your gifts should be reasonable and customary for the circumstances. You may never give gifts of cash. The guidelines in section ("Accepting Gifts") also apply to gifts among the bank employees.

ii. Accepting Gifts

You may never solicit or accept a gift for yourself or a third party in exchange for favorable business treatment.

There are certain circumstances when accepting gifts or other items of value does not violate our gift policies. This includes:

- Advertising or promotional material of reasonable value, such as pens, pencils, note pads, key chains, calendars and similar items.
- Discounts or rebates on merchandise or services that are available to other customers under similar circumstances or as part of a discount program that the bank negotiates.
- Awards of a reasonable value from civic, charitable, educational or religious organizations for recognition of service and accomplishment.

●Gifts awarded as part of a random drawing, where there is no inference that accepting the gift could influence your Bank duties.

●Meals, refreshments, entertainment, accommodations or travel arrangements for meetings or other occasions where:

- The purpose is to hold bona fide business discussions or build better business relationships.
- Your host is present.
- Your attendance is related to your job duties.
- The level of expense is reasonable and customary for the circumstances.
- The relationship with the host, and the frequency of such invitations from one host, is not excessive.

●Food or beverages that cannot be returned easily, as long as they are received on an occasion when gifts are customary, not extravagant and shared with coworkers.

●Gifts not to exceed the equivalent RMB 200 in value, that are related to commonly recognized events or occasions. These include promotions, new jobs, retirements, holidays and birthdays. However, we prohibit gifts in cash or in check form in any amount.

●A "gift" is anything of value you give or receive. Gifts can include: meals and beverages; tickets to entertainment or sporting events; goods or services; use of a residence or vacation home; travel or lodging expenses; discounts; or charitable or political contributions made on someone's behalf. If the recipient does not pay the normal cost of something, it probably will be considered as a gift. If something is available to the public on the same terms that it is being offered to the recipient, it generally will not be considered as a gift.

●We choose our business partners – including vendors, lawyers, consultants and other professionals – based on quality, competence, competitive pricing and services, business relationships, and their willingness to follow our ethical standards. Nothing else influences our selection process.

We may make exceptions to allow employees to accept reasonable entertainment, accommodations or gifts that exceed this policy when:

a) A significant customer or vendor sponsors an event.
b) Attending an event is important to maintaining the bank's relationship with that customer or vendor.
c) Refusal may damage the customer relationship.

However, you must make an attempt to explain the the bank's gift policy and to return or refuse the entertainment or gift. If continued refusal may irreparably damage the customer relationship, you should consult with your Director and Human Resources to determine whether accepting the gift in goodwill (and not in return for special treatment) may be appropriate.

- **Work Place Harassment**

CODE OF CONDUCT FOR PROTECTION AGAINST HARASSMENT OF WOMEN AT THE WORKPLACE

Whereas it is expedient to make the Code of Conduct at the Workplace etc to provide protection and safety to women against harassment it is hereby provided as under:

a) The Code provides a guideline for behavior of all employees, including management, and the owners of an organization to ensure a work environment free of harassment and intimidation;
b) “Harassment” means any unwelcome sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature, or sexually demeaning attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment, or the attempt to punish the complainant for refusal to comply to such a request or is made a condition for employment;
c) The above is unacceptable behavior in the organization and at the workplace, including in any interaction or situation that is linked to official work or official activity outside the office.

Explanation:

There are three significant manifestations of harassment in the work environment:

i. Abuse of authority
A demand by a person in authority, such as a supervisor, for sexual favors in order for the complainant to keep or obtain certain job benefits such as a wage increase, a promotion, training opportunity, a transfer or the job itself ect. .

ii. Creating a hostile environment
Any unwelcome sexual advance, request for sexual favors or other verbal or physical conduct of a sexual nature, which interferes with an individual's work performance or creates an intimidating, hostile, abusive or offensive work environment.
The typical “hostile environment” claim, in general, requires finding of a pattern of offensive conduct, however, in cases where the harassment is particularly severe, such as in cases involving physical contact, a single offensive incident will constitute a violation.

iii. Retaliation
The refusal to grant a sexual favor can result in retaliation, which may include limiting the employee's options for future promotions or training, distorting the evaluation reports, generating gossip against the employee or other ways of limiting access to his/her rights. Such behavior is also a part of the harassment.

- **Smoking, Alcohol and Drug-Free Prohibition at Workplace**

With its goal to provide healthy work environment, the bank prohibits the manufacturing, distribution, sale, purchase, transfer, possession or use of alcohol and drugs in the workplace. The Bank completely prohibits use of intoxicating drinks and/or other similar vices on its premises as well as by its staff even after office off-hours.

The Bank also endeavors to provide its employees with a smoke-free work environment and each employee is expected to abide by the non-smoking policy within the Bank's premises.

- **15 Professionalism**

Professionalism in communications and behavior is the only acceptable form of interaction on Bank premises, during business meetings. Every employee is expected to conduct himself/herself in a manner that is a positive reflection of the Bank. When differences of opinions occur, only constructive, legitimate, and respectful forms of communication are considered appropriate.

- **Bank Image**

All employees must avoid participating in any political or social activity during or after office hours, which may bring disrepute to the Bank.

- **Privacy and Security of Client Information**

the bank is committed to protecting personal and confidential information about our clients and using it appropriately. We collect, maintain and use our clients' personal information in a manner that allows us to provide them with choices and options for products and services, as permitted by law. To this end, we strive to maintain appropriate systems and technology and accordingly, to train staff with access to such information. When we use other companies to provide services for us, we require them to protect the personal and confidential information they receive.

You are responsible for ensuring that client information is used only for authorized purposes relating to your job only shared with authorized persons and organizations and is properly and securely maintained.

To do so:

a) Properly secure access to your work area, computer, laptop, telephones, voicemail, mobile phone and facsimile in accordance with the bank Security Policy.
b) Never share your passwords with other colleagues, log onto another colleague's computer or allow them to log onto your computer, even if you remain in close proximity and change your passwords frequently.
c) Do not discuss sensitive matters or proprietary or confidential information in public places, including open workplace areas such as cubicles or tea rooms, public transportation or the Internet.

- **Safeguarding Personal, Proprietary and Confidential Information**

You are responsible for safeguarding personal, proprietary or confidential information regarding the bank's clients, suppliers, and distributors. While working for the bank and after you cease your employment or association with the bank, you have an obligation to safeguard personal, proprietary and confidential information that you obtain or create in connection with your activities for the bank, regardless of its form.

Examples of such information include, but are not limited to: any system, information or process that gives the bank an opportunity to obtain an advantage over our competitors; nonpublic information about the bank's policies, operations, results, strategies and projections; nonpublic information about the bank's business plans, business processes, as well as nonpublic information about the bank's workforce, supplier, client and distributor relationships; personal and confidential information relating to individuals, including clients, the bank's workforce, suppliers and distributors; nonpublic information about the bank's technology, systems and proprietary products; and information subject to regulatory or contractual restrictions.

You may not bring the bank proprietary or confidential information of any former employer, or use such information to aid the business of the bank, without the prior consent of your former employer and unless permitted by any former employer or by applicable law or regulation.

You must not disclose personal, proprietary or confidential information about any client, supplier, distributor or the bank's workforce to any unauthorized person (including other the bank employees). Your obligation to safeguard such information includes but is not limited to, protecting it from misuse, using it only for the performance of your assigned job duties and not using such information or permitting such information to be used for unauthorized purposes. Such information must not be shared or discussed outside the bank, except where permitted or required by applicable law or regulation, or pursuant to a subpoena or order issued by a court of competent jurisdiction or requested by a judicial, administrative or legislative body.

You have a duty to protect confidential information as you would do your own personal information and to take precautions before sharing it with anyone – including other the bank colleagues – inside or outside the workplace.

You must take precautionary measures to prevent unauthorized disclosure of such information. You should also take steps to ensure that business-related documents are produced, copied, faxed, transmitted, transported, filed, stored and disposed of by means designed to prevent unauthorized access to such information. You should also ensure that access to work areas and computers is properly secured in accordance with the bank's Information Security Standards. You should not discuss sensitive matters or proprietary or confidential information in public places such as tearoom, elevators, hallways, restaurants, restrooms and public transportation, or on the Internet or any other electronic media (including blogs and social networking sites). You should also be cautious when using mobile phones or other communication devices or messaging services. Great care should be exercised when discussing such information in open workplace areas, such as cubicles or tea room.

Your obligation to safeguard personal, proprietary and confidential information that you obtain or create in connection with your activities for the bank extends to all situations in which you may use such information, including when you are away from work or working remotely.

In addition, once your employment or association with the bank ends, you must return all means of access to the bank information and return copies of such information to the bank, as well as return all the bank property, including but not limited to all ID cards, keys, telephone cards, the bank provided credit cards, laptops, Company cellular phones, and any other means of accessing such information.

Further, you may not print, download or forward such information to your home computer, your personal email address, or to any third party service provider or server or other non-the bank website, or engage in any other unauthorized use, misappropriation, or disclosure of such information, including in anticipation of your resignation or termination of employment.

- **Disclosure of STRs/CTRs Information/Transactions to Outsiders**

The employees of the banks are strictly prohibited to disclose the fact to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.

You are required to treat the above mentioned information concerning the bank or any of its clients as confidential. Confidential information obtained as a result of employment with the bank may not be used for the purpose of furthering any private interest or as a means of generating any personal gain or the personal gain of your family, friends, or others. The use or disclosure of such information may result in civil or criminal sanctions.

- **Intellectual Honesty**

Expected conduct shared by all in the Bank will be governed by truthfulness, openness to new ideas, and consideration for the individual rights of others, including the right to hold and express opinions different from one's own. The culture of the Bank also requires that the rights of all be protected, particularly by those entrusted with authority for judgment of the work of others.

- **Conflicts of Interest**

Employees have a responsibility to avoid situations and relationships that involve actual or possible conflicts of interest. Employees must remove themselves from situations that may compromise their authority by making decisions favoring one's own gain or gain for personal friends or family members. The specific areas of concern include hiring, performance review and compensation decisions. All employees are responsible for advancing Bank's business. They may not take any opportunities or use any confidential information or use their position for their own benefit, or for the benefit of their immediate family members.

Supervisors/Managers/Head of Departments are responsible to ensure that their staff member(s) are not assigned conflicting responsibilities while assigning work.

All employees are also required to disclose their relation with any of the Bank's current employees, candidates being considered for hiring, vendors, suppliers and any other person or business entity.

a) Outside Activities

Your outside activities should not impact or damage Bank's interests, unless otherwise protected by law. Generally, activities that involve access to or disclosure of confidential information about the Bank or its customers may be a conflict of interest. Also, affiliations with certain organizations may be conflicts of interest if they compete with the bank or are in substantial default to the Bank on loans, contracts or other obligations.

Outside Employment. Employees of the Bank are not allowed to take any outside employment in other economic organizations, and you are also not allowed to take a second job (including self-employment) that:

- Competes with any of the bank's business activities.
- Interferes with your job performance or work schedule.
- Involves use of Bank's equipment or resources.
- Violates your confidentiality obligations to the Bank and its customers.
- Has a negative impact on the Bank.

This applies to all activities for which you will be paid. It also applies to speaking and writing engagements, consulting engagements, and teaching positions where the subject matter relates to the bank's business or your job responsibilities.

b) Self-Dealing

You may not use your position at the bank to profit personally from information, corporate property, services or other business opportunities. You may not divert any interest or other business opportunities to yourself that belong to the Bank.

- **Employment of Relatives**

The Bank does not allow employment of close relatives to avoid conflict of interest. Close relatives shall include parents, spouse, children, siblings, nephew, niece, grandparent, grandchild, cousins, aunt, uncle, in-laws and any other close relatives not specifically mentioned herein.

Candidates applying for vacant positions in the Bank are required to disclose their relationships with any of the existing employees of the Bank. Similarly, employees referring candidates for hiring are required to disclose their relationship to the candidate.

- **Separation from the bank**

When your employment with the bank ends, you still will have continuing obligations to the bank, including:

a) Returning all Bank property, including laptops, handheld devices and confidential information (whether that information is in original document form or copies).
b) Keeping confidential information confidential.
c) Adhering to any contractual agreements with the company, including non-disclosure, non-solicit or other legal obligations.

- **Communication about the bank**

a) Corporate Public Relations

You must forward all media inquiries to HR & General Affairs Department. Only HR & GA is authorized to initiate contact with the media on behalf of the bank to ensure a consistent message and to ensure all communications are made in compliance with the laws, regulations that govern our business and HO's propaganda management . Certain exceptions may be granted in writing by the senior management.

b) Public Statements on Behalf of the bank

Only authorized spokespersons may communicate on behalf of the bank in any media outlet to ensure a consistent message and to ensure all communications are made in compliance with the many laws and regulations that govern our business. This includes online forums, bulletin or message boards, chat rooms, blogs and other Internet channels. Exceptions to this policy – for example, IT Department's employees in technology forums – require management authorization and are subject to our policies governing confidential information. In addition, any comments you make about the bank in a personal capacity must follow all applicable company policies.

c) Social Media and Other External Communications

You must use social media sites and tools responsibly and with good judgment and in compliance with company policy. You're also responsible for knowing about and complying with any business line-specific restrictions on communicating publicly about the bank business.

- **Social Media Guidelines**

Social media postings are permanent and can go viral within a matter of days. Therefore, inappropriate postings can create immediate and lasting damage for the Bank. Therefore, the bank has adopted below guidelines to limit the bank's liability exposure.

a) Be accurate and transparent. If an employee is commenting on the Bank or the Bank's industry, he/she should disclose his name and the fact that he is an employee of the Bank. This is not only the ethical thing to do, but it prevents others from claiming that an employee was trying to hide his affiliation with the Bank. Using aliases or pseudonyms to comment on industry-related topics should be discouraged. Honesty and transparency are crucial to maintaining Bank's credibility. Employees should fact check all comments to ensure that they are accurate and based in fact before posting them on any site.

b) Use disclaimers. If an employee is discussing an industry-related topic and is not making statements on behalf of the Bank, he/she should make clear that the statements are solely his/her own. He/She can do this through a simple disclaimer formulated by HR&GAD as "I work for the bank. However, this is my own opinion, not the opinion of the bank."
c) Respect copyright and trademark laws. Employees should properly cite material in postings and provide links to original sources when possible. Employees must have the express permission of the Bank, or any other company or organization, before using its trademarks or copyrighted materials on any blog or social media site.
d) Maintain the privacy of others. Employees should refrain from sharing personal information (including photographs) of coworkers unless they have express written consent to do so. Private information should remain private.
e) Do not reveal confidential information. Employees should take precautions not to disclose confidential or proprietary information online. Even seemingly innocuous tweets can disclose proprietary information. If in doubt, leave it out.
f) Be respectful and tolerant. Whether or not an employee is designated on behalf of the Bank, he/she still is seen as a representative of the Bank to the general public and should act accordingly. Employees should avoid posting material that could be seen as inappropriate, demeaning, or offensive. While the formalities of business correspondence do not tend to apply in social media, an employee should still be respectful of others. If an employee is part of a conversation that becomes profane or disrespectful, he/she should withdraw from it.
g) Promptly clarify statements that are misinterpreted. Even well-thought-out statements can create confusion. It's recommended that employees review sites after they have posted comments. In the event that people have misinterpreted an employee's comments or taken them out of context, the employee should clarify them immediately.

- **Disclosure of information**

When an employee is in doubt about whether disclosure of information is permissible, it is advised not to disclose it until consultation with management is done. In short, supervisor / management should be consulted if an employee is confused regarding confidentiality of an information and is unable to decide whether he/she should share it with an employee / customer or not.

- **Health and Safety**

Every employee has responsibility for attaining and maintaining a safe work environment, and each employee is expected to perform their duties in accordance with all health and safety laws, regulations and Bank policies. Every employee is responsible for bringing any hazardous element in the workplace to their supervisor's attention.

It is the policy of the Bank to comply fully with all applicable environmental and health and safety laws.

- **Information Security**

All employees should abide by the bank Information Security Policies. All intellectual property rights over work done by the employee with respect to his or her normal/regular work or any other assigned work is owned by the Bank and shall be treated strictly in accordance with the information security and assets protection policies of the bank.

On cessation of employment, staff must return all official files, documents, records, data and any other information assets to his/her supervisor.

- **Compliance Regulations and Policies**

A large part of the day-to-day operations of the Bank and its staff, are supervised by The State Bank of the Pakistan ("Central Bank").

Under the laws and regulations of the Central Bank, only employees who are approved by the Central Bank may undertake certain roles and functions of the Bank's business.

If you have any doubts about your duties you should first discuss them with your Supervisor. If you are still concerned about the application of these regulatory provisions to you, please contact the Internal Control & Compliance Department for clarification. Training and advice will be provided, as necessary, to ensure compliance with all applicable laws and regulations.

a) Staff Dealings

The Bank allows staff to deal and invest in the financial market provided it is for a long-term investment. However, staff dealing should not result in questionable practices, market abuse or distracting them from their full-time employment duties and responsibilities.

For example, given the nature of our business, staff may learn information about Customers who are quoted companies, which is not in the public domain. Staff should avoid any personal dealings in the shares or bonds of such companies.

Market abuse can occur through misuse of information; creating a false or misleading impression, or distorting the market. It can apply to dealings in stocks and shares, bonds, unit and investment trusts, futures and options or new products, such as special bets in stocks. Market abuse is similar to the criminal activity of insider dealing.

Misuse of information involves using information which is not generally available or disclosed to the market. This could involve buying or selling shares in a company because of knowledge we have of the company and which is not generally available to the public. An example of this is where a Customer of the Bank, such as a listed company, shares expansion plans with the Bank in advance of a market announcement.

Creating a false or misleading impression involves making information available which is likely to give a false or misleading impression of the value of an investment. Distorting the market involves manipulation of the market in a way which artificially distorts the price.

All staff dealing must be conducted in a manner that would withstand full public scrutiny and avoid even the appearance of impropriety. The guiding principles for staff dealing are:-

i. The Bank's Customers' interests remain paramount at all times and shall under no circumstances be prejudiced or compromised;

ii. The Bank's reputation for integrity and honesty is of the highest priority and must be maintained at all times.

iii. Whilst employees are free to manage their own investments which includes securities, futures and leveraged foreign exchange trading, their major responsibility is to attend to the Bank's business and they should not speculate or over trade in the financial market as this may prejudice the interests of the Bank and its clients or Customers.

You must comply with the Bank's staff dealing rules. Failure to comply with these rules and/or breaking of any law relating to staff dealing and misuse of information for personal gain has far reaching financial and employment implications, including criminal action and disciplinary action by the Central Bank, and will entitle the Bank to dismiss you without notice for gross misconduct, and/or take civil action against you. For more details please refer to the Compliance Manual.

b) Money Laundering

The Bank has strict procedures and policies with respect to money laundering and terrorist financing. You will be required to understand and observe the procedures as laid down and published by the Internal Control & Compliance Department.