

Industrial and Commercial Bank of China (New Zealand) Limited

Industrial and Commercial Bank of China (New Zealand) Limited (“ICBC NZ” or “the bank”) holds a Financial Institution Licence issued by the Financial Markets Authority under the Financial Markets (Conduct of Institutions) Amendment Act 2022 (“CoFI Act”) which requires the bank to establish, implement, maintain and comply with an effective Fair Conduct Programme (“FCP”).

Key Information of the Fair Conduct Programme

ICBC NZ is committed to treating consumers fairly at all times. This includes:

- a) Paying due regard to consumers’ interests; and
- b) Acting ethically, transparently, and in good faith; and
- c) Assisting consumers to make informed decisions; and
- d) Ensuring that the services and associated products that the bank provides are likely to meet the requirements and objectives of likely consumers (when viewed as a group); and
- e) Not subjecting consumers to unfair pressure or tactics or undue influence.

ICBC NZ’s FCP is designed to support ICBC NZ staff to treat customers fairly and to demonstrate ICBC NZ’s compliance with the requirements of the CoFI Act.

The FCP sets out how ICBC NZ applies the Fair Conduct Principle to its New Zealand retail business. It explains what fair conduct is, the principles that support it, the scope and context of the FCP, and the policies, procedures, systems and controls that collectively comprise the FCP. The FCP also sets out governance requirements and assigns roles and responsibilities to ICBC NZ people.

This document outlines the key matters about ICBC NZ’s FCP aimed at providing consumers with the information and awareness of how ICBC NZ will comply with the fair conduct principle, and assisting them to make informed decisions about their dealings and interactions with the bank.

Compliance with the Fair Conduct Principle

ICBC NZ’s values are Integrity, Prudence, Humanity and Excellence. The bank expects all its people to act ethically at all times. This means acting with integrity, honesty, discipline and being fair and respectful, responsible and accountable in accordance with ICBC NZ Customer Protection Principles, which align to the Fair Conduct Principle set by the CoFI Act.

The relevant services and associated products currently offered by ICBC NZ to consumers covered under the FCP are transactional and saving accounts, call and term deposits, home loans, credit cards and debit cards. ICBC NZ has considered the nature, size and complexity of its business, the relevant services and associated products it currently offers as well as the channels by which it provides the relevant services and associated products to consumers when establishing its FCP. A conduct risk assessment has been conducted and ICBC NZ assesses its key conduct risk to be a distribution risk where ICBC NZ employees may mis-sell a service or associated product. The FCP is therefore focused on managing conduct risk generally and the conduct risk of mis-selling in particular.

To manage its conduct risk, ICBC NZ's FCP is made up of all the policies, procedures, systems and controls that are designed to ensure the bank's compliance with the fair conduct principle and the Financial Institution Licence conditions. The FCP and the policies, procedures, systems and controls that collectively comprise the FCP enable ICBC NZ to meet its legal obligations to consumers under the CoFI Act, the Fair Trading Act 1986, the Credit Contracts and Consumer Finance Act 2003, Consumer Guarantees Act 1993 and the Financial Service Providers (Registration and Dispute Resolution) Act 2008. These policies, procedures, systems and controls include:

- Conduct related policies and procedures requiring all its employees to behave ethically and treat customers fairly at all times, setting conduct expectations, monitoring conduct and dealing with misconduct;
- Risk management, compliance and assurance related frameworks, policies and procedures supporting the effective management of operational, compliance and other risks faced by the bank including conduct risk;
- Customer handling and communication policies and processes setting the principles, guidelines and associated requirements when dealing and communicating with consumers and customers including dealing with complaints and vulnerable customers;
- Product development and review policy setting out the requirements for approval of new products and services intended to be introduced by ICBC NZ, and changes and variations to existing products and services, including post implementation and regular product reviews;
- Annual training planning and regular ongoing training requirements;
- The bank's approach to resourcing to ensure sufficient people capability and capacity to support compliance with the risk and compliance management frameworks and policies, including this FCP;
- Performance measurement system based largely on appropriate behaviour, compliance standards and conduct expectations for staff involved in the provision of relevant retail services or associated products, without any incentive determined or calculated based on a direct reference to a target or other threshold that relates to the volume or value of the retail services or products offered by the bank; and
- Business continuity management policy and plan for the management of major business disruptions to ensure the operational resilience of the bank's systems and continued provision of its services.

The FCP also outlines the roles that are responsible and/or accountable for identifying, monitoring and managing the risks associated with conduct that fails to meet ICBC NZ's customer protection principles and the fair conduct principle under the FCP.

Regular conduct risk management assurance is conducted in accordance with the assurance requirements outlined in the frameworks, policies and procedures with regular reporting of risk indicators, deficiencies identified and remediation actions taken to the relevant management and Board committees. The ICBC NZ Board of Directors is accountable for the bank's compliance with its

CoFI Act obligations, including the Financial Institution Licence conditions and the FCP. The Board approves the FCP and maintains oversight of its adequacy and effectiveness. Records are maintained to allow an assessment to be made of the bank's performance in complying with the fair conduct principle.

ICBC NZ is committed to treating consumers fairly across all its service and product offers at all times. A complaint about ICBC NZ's relevant services and associated products can be made using one of the following options:

1. send an email to Complaints@nz.icbc.com.cn;
2. complete the Complaint Form on our website www.icbcnz.com; or
3. call us on 0800 995588 and speak to our customer representative; or +64 9 379 5588 if you are calling from overseas.

If you feel that your complaint has not been appropriately addressed, you can call us again on +64 9 374 7288 and ask to speak to a member of our Compliance team.

If a solution can't be found or you are unsatisfied with the outcome, you can contact the approved dispute resolution scheme being the Banking Ombudsman, an independent party who helps sort out unresolved complaints. This service is free of charge. You can contact the Banking Ombudsman at:

Postal Address:

Freepost 218002
PO Box 25 327
Wellington 6140

Phone: 0800 805 950 / +64 4 915 0400

Email: help@bankomb.org.nz

This key information regarding ICBC NZ's Fair Conduct Programme is published on ICBC NZ website www.icbcnz.com.

(A copy of this key information of ICBC NZ's Fair Conduct Programme can be requested from ICBC NZ and will be provided free of charge within 5 working days after the bank receives such a request.)