



HSBC North America Holdings Inc.

# Statement of Business Principles and Code of Ethics

For U.S. Employees



November 2018

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Dear Colleague,

Throughout our history HSBC has been where the growth is, connecting customers to opportunities. We enable businesses to thrive and economies to prosper, helping people fulfill their hopes and dreams and realize their ambitions. It is a privilege to serve our clients and communities in this way and we therefore have a fundamental obligation to do what is right and conduct ourselves with honesty and integrity at all times.

Every one of us has a critical role to play in this journey and I see daily examples of employees taking action to do the right thing. How we do business is as important as the business we do. To help guide employees in their work, we have collected here in one place important statements regarding our values and ethics.

The principles set forth in our Charter and this Code of Ethics reinforces the importance of our purpose and the behavior that we are encouraging through initiatives like At Our Best. It's about how we want to behave at HSBC, individually and collectively.

HSBC maintains this Code of Ethics, supplemented by a compendium of internal policies, to inform and guide us in our roles. We recognize, however, that a formal Code or policy cannot cover every situation. In a complex industry and fast-paced business environment, it is impossible to predict the various different unique circumstances we will encounter. As such, the principles outlined in this Code should be viewed as the baseline of expected behavior at HSBC.

Taking ownership for doing the right thing means asking the right questions and speaking up if you have concerns or are unsure what to do. This document provides both guidance for when you should speak up and contacts for doing so. I am personally committed to ensuring you have a safe and supportive environment to report any possible violations of policy.

Thank you for taking the time to review this document carefully and for your ongoing commitment to making HSBC the world's leading international bank and a place where we are all proud to work.

A handwritten signature in black ink that reads "Patrick J. Burke". The signature is written in a cursive, flowing style.

Patrick J. Burke  
President and Chief Executive Officer  
North America Holdings; Inc. (HNAH)



# HSBC Group Values and Business Principles

HSBC's values describe how we interact with each other and with customers, regulators and the wider community. Our principles form our character and define who we are as an organization and what makes us distinctive. They describe the enduring nature of how we do business. We bring these values and principles to life through our day-to-day actions and every employee must make a commitment to put our values and principles at the heart of how we behave.

All employees are expected to act with courageous integrity in all they do. This guiding principle means having the courage to make decisions based on doing the right thing without ever compromising the ethical standards and integrity on which the company was built.

Acting with courageous integrity means:

- **Being Dependable – always 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

- **Being Open – to different ideas and cultures**

Communicate openly and honestly, value challenge and learn from mistakes

Listen, treat people fairly, be inclusive, value different perspectives

- **Being Connected – to customers, communities, regulators and each other**

Build connections, be aware of external issues, collaborate across boundaries

Care about individuals and their progress, show respect, be supportive and responsive

## Employee Charter

As our Charter explains, these are the characteristics on which HSBC has been built over the last 150 years. They are the values that guide us in what is important. They describe how we support our customers but also how we should interact with one another. Our goal is to connect with customers across borders, so we also have to collaborate internally. A global network opens us up to many different cultures and perspectives. Valuing and respecting one another's differences and experiences is vital too.

Our industry has a growing list of rules and regulations. Our aim is to meet both the spirit and the letter of the law — to do what is right, not only what is legal. Our own policies often go further than the minimum required by law. Some are very specific, telling us what we must do and when. Others focus on the outcomes we should deliver. These policies outline principles to be applied, not just processes to be followed. They ask us to use our judgment.

## Business Principles

HSBC's business principles direct how our business strategy is executed. They set the standard for how we make commercial decisions. They underpin the business conduct of all HSBC employees and, together with our values, play a critical role in protecting and enhancing the Group's reputation and improving business performance.

The HSBC Group is committed to the following business principles:

- **Financial strength:** maintain capital strength and liquidity
- **Risk management:** be enterprising and commercial, understand and be accountable for the impact of our actions, make prudent decisions
- **Speed:** be fast and responsive, make principles-led decisions
- **Performance-focus:** drive leading, competitive levels of performance, act with urgency and intensity, prioritize, 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 the impact of actions on stakeholders, the brand, and HSBC's reputation

Management at all levels must ensure they, or their executives with delegated managerial responsibilities, are fully acquainted with the rules and regulations applying to the operations for which they have responsibility and that arrangements for ensuring compliance with legal/regulatory requirements are an integral part of the operational procedures of the business. Where managers become aware of breaches of laws or regulations, they must advise their Regulatory Compliance Officer.

## Compliance Values Statement

It is the policy of HSBC North America Holdings, Inc. (HNAH) and each of its subsidiaries to comply with the spirit and letter of all applicable laws, codes, rules, regulations and standards of good market practice and to adhere to the values of HSBC Group. We believe that a strong culture of compliance is essential to our reputation, sustainability and success. As such, a compliance culture must be the cornerstone of our business and drive everything that we do. We believe that all who represent HSBC have a duty to act in a lawful manner, demonstrate the highest standards of business and personal conduct, to act with honesty and integrity towards our customers, suppliers, regulators, the public and each other, by adhering to our Statement of Business Principles and Code of Ethics. Every employee must demonstrate their commitment to our culture of compliance by adhering to the letter and spirit of the law, and applicable policies and procedures. If any irregularities do arise, they will be escalated and resolved promptly, and should be reported as appropriate.

**Management at all levels have a special duty to act with integrity, to understand the rules and regulations applying to the activities for which they have responsibility, to promote adherence to our compliance culture and take appropriate action if laws or policies are breached. Like all employees, management is expected to speak up and express concerns if they become aware of a possible violation of this Code or any HSBC policy.**

# Code of Ethics

This Code of Ethics contains a set of principles that govern our behavior – about who we are and what we believe as an organization. This baseline of understanding helps us make good decisions and know how to choose right from wrong. As our Charter explains, most of the decisions we make each day are straightforward, but some are not. This Code of Ethics does not address all circumstances that could arise. It is additional guidance to assist you, rather than a complete set of rules and regulations for all situations. Should there be any question as to the interpretation of a particular principle or how best to handle a situation, you should refer your question to your supervisor or department head, Human Resources, Regulatory Compliance, or the Ethics Office.

The principles described in this Code are intended to supplement and compliment our Charter and Global Standards and HSBC North America Compliance Values Statement. Employees of HSBC North America Holdings, Inc. or one its subsidiaries, are expected to read, understand and comply with the Code of Ethics and all HSBC policies. Violations of this Code or other company policies, or failure to report known concerns, can subject the employee to disciplinary procedures, which may include termination. Employees who report such violations are protected from retaliation. Processes for asking questions or for reporting violations, as well as key contacts, are provided at the end of this Code of Ethics.

*This document does not create any contractual rights of any kind between HSBC and its employees. This document does not constitute or create a contract of employment. Unless you have a written employment contract providing otherwise, employment with HSBC is at will, meaning either the employee or HSBC may end the employment relationship at any time.*

# Ask the Right Questions

To help meet our commitment to the Charter and Global Standards, all employees are challenged to “ask the right questions.” For every decision, employee must ask themselves:

- Are you operating within the rules? Do you know what the rules are? Is it legal and compliant? Are you acting within the letter and spirit of the law?
- Does this decision sit well with our sense of right and wrong? What would your friends, family or colleagues say? How would you feel if it was reported in the media? How does it support the communities we serve?
- Does this make commercial sense for our customer and for HSBC? Who is this decision good for? Do you think it will stand the test of time? Do we really know enough about our customer?
- Do you understand the impact of this decision on others? Are we treating people with respect? How would you feel in their shoes?
- Do you have the courage to do the right thing? What is stopping you?

# Respect for the Law

Numerous laws and regulations, both domestic and foreign, specifically govern various aspects of HSBC's business: the U.S. Foreign Corrupt Practices Act, the Securities Exchange Act of 1934, the Financial Institutions Regulatory and Interest Rate Control Act, the Community Reinvestment Act, the Truth-in-Lending Act, the Fair Credit Reporting Act, the Bank Secrecy Act, the Gramm-Leach-Bliley Act, and various federal and state usury laws, to name just a few. In addition, laws and regulations of general applicability, such as the securities, equal employment, wage and hour and antitrust laws, affect HNAH. Failure to comply with these laws and regulations can have serious consequences, including legal liability for damages and other penalties. Every employee has a responsibility to learn and understand the laws and regulations applicable to the activities of their department and their particular responsibilities within it.

**Some important areas of the law for employees to be familiar with are:**

## Anti-Money Laundering:

Engaging in financial transactions with knowledge that the proceeds are from illegal activity is a crime. In addition, money laundering leads to the erosion of public confidence in the banking system. HSBC personnel therefore must comply with all provisions of the Bank Secrecy Act – particularly the reporting of unusual transactions. Suspicious activity reporting is one of our most important obligations and we are required to inform the authorities of any transaction that may be related to illegal activity. HSBC is actively combating terrorist financing, corruption, and any other form of money laundering. Compliance allows us to fulfill our obligations to our fellow workers, our governing authorities, our communities and the HSBC Group.

## Sanctions:

HSBC is fully committed to complying with both U.S. and other countries' laws regarding sanctions and other embargoes. We are fully supportive of the U.S. Department of the Treasury's Office of Foreign Asset Control and its efforts to combat illicit financial transactions. We are all responsible for being aware of relevant sanctions and embargoes imposed by any country or the international community which may impact your work at HSBC.

## Anti-Boycott:

Under U.S. law, HSBC and its employees cannot take action that furthers a boycott of a country that is not sanctioned by the United States. HSBC is required to report any requests it or its employees receive to take actions that comply with, further, or support unsanctioned foreign boycotts. The law on this issue is complex and

the penalties for violations are extensive, so employees must report any activity related to potential violations of anti-boycott laws to a supervisor immediately.

## Anti-Bribery:

HSBC has a zero tolerance approach toward bribery and corruption and requires compliance with anti-bribery and corruption laws in all markets and jurisdictions in which it operates. These laws include the U.S. Foreign Corrupt Practices Act, the Bank Bribery Act, and the UK Bribery Act as well as other similar laws and regulations. This means that employees cannot improperly (1) offer or provide a payment or other advantage; or (2) solicit or accept a payment or other advantages to or from any third party (whether a public official, private individual, etc.) in order to obtain or retain business. "Other advantages" can be anything of value – e.g., a charitable giving, tickets to a show, an offer of an internship, paid or unpaid, for a client's family member, etc. In addition, employees must ensure that any third parties engaged by HSBC to act on HSBC's behalf comply with these principles. HSBC also prohibits the making of facilitation payments.

## Insider Trading:

The improper or personal use of nonpublic information concerning HSBC or its affiliates, customers or suppliers is a violation of HSBC's policies, and may subject both the employee and HSBC to penalties under various securities laws and regulations. Federal securities laws prohibit HNAH employees from taking advantage of nonpublic "material information" about HSBC or its affiliates, customers or suppliers, or communicating such information to others. Laws, regulations and HSBC policies also apply to and restrict employees' personal investments. Employees are prohibited from using or trading on nonpublic information concerning HSBC or its affiliates, customers or suppliers. Employees with access to this information must guard it carefully, following HSBC's guidelines for handling sensitive information. If an employee violates these laws, they may be subject to penalties, including fines and imprisonment. Information about a company that may affect the market price or a person's decision to invest in its stock is considered material information.

## Lotteries and Raffles:

HSBC employees must make every effort to ensure that they maintain awareness of and are in compliance with the federal law that prohibits national banks from participating in lotteries and related activities, such as raffles. As part of that effort, you must provide an attestation that you are aware of your responsibility to ensure that HSBC remains compliant with this law and understand where risks can potentially occur.

Under this law, a lottery is defined as three or more persons, advancing money or credit for a chance to win a prize. The law prohibits national banks from dealing in lottery tickets or participating in a lottery/raffle, which includes announcing, advertising or promoting a lottery/raffle using any of our facilities or systems. As a result, all U.S facilities may not allow lottery/raffle tickets to be sold on premises or permit promotion of the same, including lobbies, community rooms, parking lots, and ATM vestibules. Mall branches may not allow any space they control to be used, such as common space abutting the branch entrance.

### Taxes:

HSBC is fully committed to complying with the letter and spirit of all applicable tax laws. We do not assist clients in any activities intended to breach tax obligations and require employees to comply with all applicable tax laws.

### Investigations:

Subject to certain regulatory exceptions, employees are required to cooperate with any legitimate and lawful government or internal investigation. They must tell the full, complete truth in such inquiries and are expected to provide the maximum level of cooperation by, among other things, being available to those conducting the investigation and by providing any materials requested by those conducting the investigation in a timely manner. A lack of cooperation with an investigation may lead to severe sanctions, including termination of employment. HSBC prohibits retaliation against employees who raise complaints or participate in investigations. If employees have any questions regarding whether a request is legitimate or lawful, they should contact their Legal or Regulatory Compliance teams.

### Fraud

It is everyone's responsibility to report acts of fraud or suspected fraud. Customers and shareholders expect HSBC to protect its assets, customer information, and delivery channels. Fraud is any intentional act, by one or more individuals, to obtain an unjust or illegal advantage. It is a deception deliberately carried out in order to obtain unlawful or unfair gain. Fraud can arise in many ways, including misappropriation of HSBC cash or other assets (including information), forgery or alteration of records, billing schemes distortion of financial results, dishonest arrangements with suppliers/customers, corruption and falsification of expense claims or similar documents. Fraud can potentially occur in any department of HSBC and the losses may not be limited to money or goods.

### Sales Practice

HSBC employees should act in the interests of prospects and customers. We vow to protect, support, and promote the principles of consumer choice, competition, and innovation enterprise, consistent with relevant legislative and regulatory public policy standards and our obligations to HSBC shareholders. HSBC employees should not knowingly participate in actions, agreements, or policies or practices which may be detrimental to customers, competitors, or the community. We will strive to ensure that our products and services offer fair value and service to our customers at reasonable cost.



# Respect for Each Other

HSBC is committed to diversity, inclusion and equal opportunity. We are building an inclusive organizational culture where individuals are valued, respected and supported, and where the richness of ideas, backgrounds, styles and perspectives drive business value. In dealing with employees, customers and suppliers, HSBC makes decisions without regard to race, ancestry, color, religion, national origin, marital status, veteran's status, gender, gender identity or expression, sexual orientation, age or disability. All employees are responsible for ensuring that the working environment is free of any form of harassment (including but not limited to sexual harassment), discrimination, violence, intimidation, or inappropriate behavior.

Supervisory personnel are reminded to hire, assess and reward employees strictly on the merit of qualifications and job performance.

Recruitment for any staff, temporary or permanent, must not be used to obtain or retain business as any such conduct could be considered bribery, or an attempt to obtain confidential, non-public supervisory information from connected persons. All candidates will be required to disclose whether they are connected persons.

Because HSBC respects each employee's private life, social conscience and personal beliefs, supervisory personnel may not require employees to perform personal tasks nor attempt to coerce employees into supporting any particular public issue, social cause or political candidate. An employee's decision whether to support such issues, causes or candidates is entirely voluntary and will have no effect on his or her employment relationship with HSBC.

# Protecting Company Assets

## Conflicts of Interest:

Part of each employees responsibilities is to act in a way that contributes to the financial success of HSBC, enhances its reputation and fosters our customer relationships. This requires every employee to look after their own private financial interests in such a way that they do not profit improperly from their position with HSBC.

A "conflict of interest" arises when an employee's personal interest in a transaction, or an obligation owed to someone else, comes into conflict with their obligation to HSBC, its customers, and its shareholders. This includes using an HSBC position to

advance an employee's own personal gain or advantage on the basis of sensitive information gained during employment, whether or not they obtained this gain or advantage at HNAH's expense or at the expense of any entity of HSBC or its customers. In addition, personal transactions in HSBC accounts can impact it's business interests, reputation and compliance with regulatory obligations. Therefore, every employee must be sure to comply with all applicable laws even when transacting personal business within their personal accounts.

When a conflict of interest does confront an employee in the performance of their job, they must disclose its existence promptly to your immediate supervisor or regulatory compliance officer.

## Employment of Relatives

HSBC expects a high level of integrity, objectivity and professionalism from all its employees. In keeping with these standards, HSBC may permit the employment or promotion of relatives if the following conditions are met:

- The related employee will not be involved in the decision-making process of recruitment, salary, promotion or retention of the related person
- The related employee will not be involved in the transacting, processing or auditing of or for the related person
- Reporting lines are structured to ensure that the related employees do not have the same immediate manager or the same manager at the next highest level of management
- The related employees will not have a reporting / supervisory relationship (i.e. manager / subordinate)
- Disclosure and approval is granted as outlined

A relative (whether by blood, adoption, or by marriage / domestic partnership) is defined as: Child, Domestic partner, Grandchild, Grandparent, Parent, Sibling or Spouse.

It is important to follow the guidelines outlined to ensure that there are no conflicts of interest or appearance of favoritism in the hiring, management or promotion of relatives.

An employee who may have a conflict is obligated to notify and seek approval in writing from his/her direct manager if working with, or if being assigned to work with, a relative as defined above. The manager is expected to apply the principles and exceptions set forth above, and should seek guidance from senior management and a representative from Human Resources or the Ethics Office as needed.

All final decisions regarding the employment and promotion of relatives will be made by the business unit Human Resources executive.

## Romantic Relationships Between Employees

Romantic relationships between supervisors and subordinates are prohibited. Supervisors, managers, executives or anyone else in a "position of authority" (however temporary or informal) must disclose to their direct supervisor and a Human Resources professional, the existence of any relationship with another co-worker that has progressed beyond a platonic friendship. This disclosure will enable HSBC to determine whether a conflict of interest exists and endeavor to find a solution to eliminate the conflict.

For additional information regarding the Company's policies concerning dating between employees, employees should consult the Anti-Harassment Policy and the Conflicts of Interest Policy.

## Marriage

If an employee marries someone in his/her department, depending on a number of factors, such as the reporting relationships involved, one of the employees may be involuntarily transferred to another department.

## Human Resource Positions

Relatives of employees in a Human Resources position responsible for hiring or termination decisions may only be hired with the Head of Human Resources approval.

## Actions

If a conflict of interest exists or is likely to arise due to the relationship between employees, the Company will take appropriate action to resolve the conflict, which may include the involuntary transfer of one of the employees involved.

## Gifts and Entertainment:

Employees must not accept or offer any personal benefits (including all types of gifts and entertainment) that are likely to conflict with their duties to or from any customer, supplier, services provider, or any member of the HSBC Group. Entertainment also includes any meals, events and travel accommodations related to an event. Employees must actively but sensitively, discourage customers, suppliers or service providers from offering personal benefits in any circumstances. Company policy allows some personal benefits, subject to limitations and approvals, and requires recording of such gifts or entertainment. The giving or receiving of cash or cash equivalents is prohibited.

## Loans and Borrowing:

Employees may never participate in the consideration or approval of any extension of credit, any waiver of fees or of any other transaction between HSBC and them self or anyone in their immediate family, or with other people, corporations, partnerships, trusts or other organizations in which they or any member of their immediate family have a significant financial interest.

Employees are not permitted to borrow from any of HSBC's suppliers or customers, except they may receive credit on customary terms in connection with the purchase of goods and services from a commercial establishment within the foregoing prohibition. We allow loans made to staff members by other financial institutions, including bank correspondents of HSBC, in the ordinary course of their business.

## Outside Employment and Business Activities:

Other potential sources of conflict of interest include:

- Holding any outside employment position or conducting personal business that may interfere with the employee devoting full attention and loyalty to HSBC during working hours;
- Holding a direct or indirect financial interest in a competitor company or in any firm or entity with which HSBC does business (except normal investments in publicly owned companies);
- Holding a direct or indirect financial interest in any firm or entity that is a supplier of or vendor for HSBC (except normal investments in publicly owned companies);
- Holding or acquiring an interest in any property or business in which HSBC has or proposes to acquire an interest;
- Serving as a director or officer of any firm that is a competitor, customer or supplier of HSBC; or
- Conducting business on behalf of HSBC with an individual related by blood, marriage or adoption.

Certain types of outside employment, such as with other financial institutions or securities dealers, are prohibited by law. Any outside employment or directorships must be managed promptly and appropriately. Each employee must immediately report any activity that presents a potential conflict to their line manager. This allows HNAH and the business to log, analyze and manage the risks associated with the conflict before they rise.

## Personal Gain:

Employees must not use confidential information about HSBC, its employees, customers, or suppliers entrusted to them, or that they otherwise became aware of in the course of their employment, for personal gain or the personal gain of their family, friends, or others. All intellectual property created or otherwise developed by employees of HSBC in the scope of HSBC employment is the exclusive property of HSBC and they may not utilize any such property for personal gain or the personal gain of family, friends or others.

## Information about HSBC:

Because of a person's position with HSBC, they may obtain information about their business unit or HSBC not otherwise available to the public. They cannot disclose confidential financial or other proprietary information concerning any of these entities, its businesses or functions to outsiders until it has been published in reports to security holders or otherwise made generally available to the public.

## Information about Our Customers and Employees

We expect all employees to treat information entrusted to HSBC by our customers and employees during performance of their duties for HSBC as confidential. This includes information relating to deposit and loan balances, information concerning the management, financial condition and future plans of our customers' businesses, employee/salary information and information obtained in the course of fiduciary relationships. Employees must not disclose confidential information to anyone either inside or outside HSBC except in compliance with HSBC's information protection policies. Each employee's obligation to maintain the confidentiality of the information continues even after they leave HSBC. Protecting our customer and employee data in accordance with regulations, guidance, and best practices is everyone's responsibility at HSBC. We must ensure that our customers and employees know we will honor their choices and properly safeguard their information. Effectively managing and protecting personal data instills trust with our customers, employees, regulators and shareholders.

## Privacy of Customer and Employee Data

Protecting our customer and employee data in accordance with regulations, guidance, and best practices is everyone's responsibility at HSBC. We must ensure that our customers and employees know we will honor their choices and properly safeguard their information. Effectively managing and protecting personal data instills trust with our customers, employees, regulators and shareholders.

## HSBC's Computer Systems

Employees are granted access to HSBC's various computer systems to perform their job duties. Each employee is expected to protect the access granted to him or her and to keep any associated passwords restricted at all times. Usage will be monitored.

Bank employees are expected to use the Internet responsibly and productively. Internet access is limited to job-related activities and reasonable personal use is permitted. Job-related activities include research and educational tasks that may be found via the Internet that would help in an employee's role. All Internet data that is composed, transmitted and/or received by HSBC's computer systems is considered to belong to HSBC and is recognized as part of its official data. It is therefore subject to disclosure for legal reasons or to other appropriate third parties. The equipment, services and technology used to access the Internet are the property of HSBC and the company reserves the right to monitor Internet traffic and monitor and access data that is composed, sent or received through its online connections.

Information sent or created via HSBC's systems, including emails, instant messages or documents, should not contain content that is deemed to be offensive. This includes, though is not restricted to, the use of vulgar or harassing language or images. All sites and downloads may be monitored and/or blocked by HSBC if they are deemed to be harmful and/or not productive to business. If an employee is unsure about what constitutes acceptable Internet usage, they should ask their line manager for further guidance and clarification.

## HSBC Records:

HSBC's books and records and other essential data must be complete and reliable, and accurately reflect all transactions and activities in compliance with applicable laws, accounting principles and management's general authorization. When preparing such records, employees are not to make false or misleading entries nor permit the existence of any asset or liability which is not fully and properly recorded on HSBC's books. No transactions, agreements, programs, plans, obligations or payments shall be entered into, made or recorded with the understanding that their use is for other than the stated purpose. Employees shall not make any false or misleading statements about such records or conceal information from management or HSBC's auditors. We expect all employees to fully cooperate with our internal and independent auditors and counsel.

# Doing the Right Thing for Our Customers

HSBC is dedicated to delivering fair outcomes for our customers and not disrupting the orderly and transparent operation of financial markets. HSBC will offer products and services on a competitive basis and will not tolerate the use or attempted use of improper incentives to obtain business. With regard to suppliers, the selection of products and services by employees with purchasing duties for HSBC is based solely on quality, price and service.

Employees should never take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.

HSBC is committed to compliance with The Equal Credit Opportunity Act and the Fair Housing Act, referred to as “fair lending” laws, which require consistent, objective and unbiased treatment of all consumer and commercial loan customers throughout each phase of the loan cycle without regard to any basis prohibited by law: age (provided the applicant has the legal capacity to enter into a binding contract), color, disability, familial status, marital status, national origin, race, receipt of public assistance income, religion, sex, or the fact that a customer exercised his or her rights under the Consumer Credit Protection Act.

HSBC is also committed to responsible banking through compliance with the Unfair, Deceptive or Abusive Acts or Practices (“UDAAP”) and ensuring that all products and services (loans, deposits, payment services, investment, insurance, etc.) are delivered in a manner that is not unfair, deceptive, misleading or abusive.

**Question:** I have been working with a customer for over a decade, and he has asked if I would be willing to serve as the trustee for his children in the event of his death. Can I?

**Answer:** Not without written approval. You cannot accept an appointment as personal fiduciary (e.g., executor or trustee) or power of attorney for anyone who is a customer or vendor of HSBC, whether alone or with any other person or institution, except in close family relationships or unless you have received approval from your supervisor or department head. And you can never accept such an appointment where an actual or potential conflict with your obligations to HSBC would arise. Also, keep in mind that you cannot solicit any legacy or other favor granted by an individual or organization where your relationship to the individual or organization arose primarily during the course of your employment.





## Fair Competition

HSBC believes in the free enterprise system and is dedicated to the maintenance of fair competition in an open market. Employees are to avoid any circumstances that will, or would appear to, violate antitrust or competition laws.

Employees shall refrain from discussing or entering into any arrangements or understandings with competitors concerning prices, production limits, allocation of customers, products or territories, boycotting certain customers or suppliers, or in any way engaging in other anti-competitive practices. Normal business activities occasionally require contacts with competitors, but on such occasions discussion of any of the above-mentioned subjects must be avoided.

In this same spirit, employees should refrain from making disparaging comments about the products or services of HSBC's competitors.

# Support for Our Community

## Corporate Sustainability:

Sustainability means building our business for the long term by balancing social, environmental and economic considerations in the decisions we make. This enables us to foster growth which is both sustainable and commercially viable.

Since its foundation in 1865, HSBC has adapted to and helped serve the needs of a changing world. It has financed economic growth, fostered international trade and overcome events such as economic crises. We recognize that governments, corporations, the financial system and civil society are all stakeholders of climate change and sustainability challenges. Now more than ever, there is a need to develop the skills, business innovation and low-carbon solutions needed to secure long-term prosperity for all. For HSBC, these are the key elements of sustainable growth which we can influence.

We empower our people to share their time and expertise with our strategic and local nonprofit partners, via volunteerism and board service.

HSBC also helps to serve as a catalyst for progress by giving eligible HSBC employees the opportunity to increase their personal contributions to qualified nonprofit organizations through the Matching Gift Program. In the United States, HSBC matches, dollar for dollar, certain personal donations made to eligible nonprofit organizations of their choice.

For additional information on HSBC's key areas to Corporate Sustainability, visit <https://www.hsbc.com/our-approach/sustainability>.

## Political Activities and Contributions:

HSBC advocates the democratic system and is committed to upholding the political, legal and governmental processes of the local, state and federal systems of the United States and other countries where HSBC operates.

Further, HSBC recognizes that participation by citizens in civic and political activities is necessary for this system to function properly. HSBC encourages employees to exercise their right to vote, to participate actively in the political process, to be informed on public issues and on the positions and qualifications of public officials and candidates for public office and to support issues, candidates and parties of their choice, as individual citizens.

Employees should not use HSBC's name, either directly or indirectly, to endorse any public issue, political candidate, political party or business interest, product or service, unless otherwise authorized by Media Relations.

**Question:** A reporter called to ask me questions about what is going on at HSBC. Can I return her call?

**Answer:** Employees must refer all media inquiries directly without comment to Media Relations. Likewise, Media Relations must coordinate all ongoing media contact. In addition, your immediate supervisor and Media Relations must approve in advance any external speeches or appearances you make as an employee of HSBC.

Federal and state laws and regulations restrict, and in some cases prohibit, HSBC from making payments or using its property to support candidates for political office or political parties or committees. As a matter of policy, HSBC does not use corporate funds to make contributions to federal, state or local candidates or committees. We prohibit the use of HSBC's employees or property, including office supplies, printing facilities, postage and equipment, to promote political candidates or parties. We prohibit with employees from making any expenditure for such purposes through travel and expense accounts and we do not allow recovery of any such expenditure.

Both state and federal laws, however, permit voluntary personal contributions to segregated funds established for political purposes, such as HSBC PAC, the political action committee for employees of HSBC. HSBC may legally pay for HSBC PAC's administrative expenses, but the employees voluntarily provide the funds the HSBC PAC uses to financially support candidate campaigns. The solicitation of HSBC's employees for political contributions on HSBC's premises is limited to HSBC PAC.



# Asking Questions or Reporting Violations

## Asking Questions:

This Statement of Business Principles and Code of Ethics is a general guideline, rather than a complete set of rules and regulations for all situations. Should any question arise as to the interpretation of a particular principle or situation, employees should refer their question to their supervisor or department head, Human Resources, Regulatory Compliance, or the Ethics Office.

## Reporting Violations:

If asked or ordered to participate in, or any employee otherwise become aware of, any violation of this Statement of Business Principles and Code of Ethics, HSBC's policies, or applicable laws and government regulations, the employee is encouraged to report actual or suspected wrongdoing. There are a number of available reporting channels listed on the last page, including an option to report concerns anonymously.

Depending on the allegation, Human Resources, Financial Crime Threat Mitigation, Legal, Audit, Ethics, or another objective party will investigate complaints of unlawful activity or violation of HSBC policy promptly and thoroughly. To the extent possible and consistent with an objective and thorough investigation, HSBC will attempt to protect the privacy of both the accuser and the accused. Based on that investigation, a determination will be made as to whether or not wrongdoing occurred and appropriate action will be taken, including appropriate disciplinary action and potentially reporting any unlawful activity to external authorities.

All information regarding any specific incident will be kept confidential to the extent possible, within the necessary boundaries of the fact-finding process. Employees who wish to make an internal anonymous complaint should use HSBC Confidential as the reporting channel (toll free number or web-based). Every effort will be made to protect the identity of the caller, who may be assigned a personal identification number and asked to follow up in the event further information is needed to complete the subject investigation.

When making a report, employees are encouraged to provide as much information as possible surrounding the allegation to support a thorough and complete investigation, and to check back using the assigned identification numbers to fulfill any requests for additional information from the investigative team.

## No Retaliation:

HSBC recognizes the importance of providing a safe environment for individuals to report incidents of possible unlawful activity or violations of policy. HSBC strictly prohibits all forms of retaliation against an individual who in good faith reports any such incident to HSBC or to a government agency. If an employee believes that they have been improperly retaliated against, the employee is encouraged to report the actual or suspected wrongdoing through the channels listed on the last page.

# Contact Information

<b>HSBC Confidential:</b>	1-888-560-1777 or <a href="http://www.confidentialreport.hsbc.com">www.confidentialreport.hsbc.com</a>
<b>Ethics Office:</b>	via email to <a href="mailto:HSBC.Confidential@us.hsbc.com">HSBC.Confidential@us.hsbc.com</a>
<b>Human Resources:</b>	Open a case via HRDirect or call 877-747-4722





