

CITIC Limited

Code of Anti-corruption

December 2022

CITIC Limited ("the Company") believes that honesty, integrity and fair play are important assets. The Company will respect and adhere to the laws of the countries in which it operates and all directors and employees of the Company and its subsidiaries (collectively "the Group") must ensure that the Group's reputation is not tarnished by dishonesty, lack of integrity or corruption. The Group fully supports the global campaign against corruption and has zero tolerance for corruption and any fraudulent practices.

This Code and Code of Conduct of CITIC Limited stipulate the Company's policy on matters of personal conduct of all employees (including directors, employees and anyone working on the business or affairs of the Company). This Code applies to the Company and to its subsidiaries and all businesses the Company manages or controls wherever they are located. Any breach of this Code will give rise to disciplinary action, including but not limited to termination of employment. Subsidiaries may adopt the Code with modifications to cater for the relevant laws and regulations in their jurisdiction. However, such modifications must be no less exacting than those set out in this Code. Employees should use common sense and judgment when assessing whether any arrangement would be considered corrupt or improper.

1. Personal Conduct of Directors and Employees

1.1. Bribery, Illegal Gifts and Commissions

1.1.1 Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong)

The Company prohibits any form of corruption and bribery. Whether in Hong Kong or other regions, any employee soliciting, accepting or offering an advantage in connection with his/her duties without the permission of the Company in the execution of the Company's affairs, as a reward or inducement to do any act related to the Company's affairs or to treat others favorably in the Company's affairs, commits an offence under Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong) (the "Hong Kong Ordinance"). The Hong Kong Ordinance is the minimum standard the whole Group should adopt. Each unit shall adopt this Code or formulate relevant anti-corruption measures in accordance with the actual situation, and the standard shall not be lower than the standard of this Code. In the case of subsidiaries operating outside the jurisdiction of Hong Kong, the relevant local legislation or organizational system shall apply. If there is a conflict between this Code or relevant anti-corruption measures and local legislation or organizational system, the relevant provisions of local legislation or organizational systems must be complied with.

The term “advantage” is defined in the Hong Kong Ordinance to include, amongst others, gift, loan, fee, reward, commission office, employment, contract, service and favor (except entertainment, see section 1.2 below), etc.

1.1.2 Soliciting Advantages

It is the policy of the Company to prohibit employees from soliciting any advantage from clients, suppliers or any person who has any connection with the Group's business.

1.1.3 Accepting Advantages

Employees should not accept or solicit any advantages from persons with whom have business dealings (including persons, companies or institutions that have or are expected to have business dealings with the Company, or their subordinates due to their connections with their positions). This is particularly so given that the acceptance of advantages could affect their objectivity or induce them to act against the Group's interests or lead to complaints of bias. Under the Hong Kong Ordinance, an employee is considered to have accepted an advantage if it is accepted by any other person acting on his behalf. If an employee receives any advantages from a person he or she believes to have business dealings, and if the advantage cannot be returned and in case of doubt, the recipient should refer the matter to the head of anti-corruption department of the relevant company for advice and instructions. A gift offered to a family member of an employee may be considered as an advantage to compromise the integrity of the employee and should be reported to the head of anti-corruption department of the relevant company and will be decided on a case by case basis.

Taking into account the nature and value of the advantage, if refusal to accept the advantage may be considered as impolite or inconsistent with social conventions, the employee may consider accepting advertising or promotional gift of nominal value, a gift or souvenir for attending a function on behalf of the company, customary gift or lucky money given during festive occasions, provided the value not exceeding HK\$500. Any advantage that an employee received related to business dealings that is considered to be substantial (an advantage with a value exceeding HK\$500 should certainly be considered as "substantial") should be declined and the offer of such an advantage should be disclosed to the head of human resources & administration department or anti-corruption department of the relevant company as soon as practicable (and in any event within three days after receiving such offer).

Employees should not accept or solicit any advantages from relatives or personal friends whom they consider to have business dealings or influence on business dealings. If any advantage is offered, the employee should report to the head of the anti-corruption department of the relevant company for advice and instruction.

1.1.4 Offering Advantages (agent)

Under no circumstances may an employee offer advantages in any form or similar considerations to an agent of any person or company as a reward or inducement to act in relation to his principal's business or to give favour to the Company in his principal's business for the purpose of obtaining or retaining business for, or directing business to the Company.

Any commissions paid or payments made, or favorable terms conceded, or other advantages given by any employee in the conduct of the Company's business shall be in accordance with the Company's prevailing policies on such matters and shall have the prior written approval of his respective head of business unit.

1.1.5 Prevention of Bribery

Employees are strictly prohibited from offering any advantages to any public official (including employees of the government and public bodies) as such public official for doing or refraining from doing any act or refraining from doing anything in his capacity as a public official or acting in his government department or public body reward or inducement for preferential treatment or assistance; or offering any advantages to a member or employee of any government department or public body in dealing with any government department or public body.

1.1.6 Misconduct in Public Office (offence under common law)

In all dealings with public officials (including employees of government and public bodies), employees should take extra care not to aid or abet any abuse of office or malpractice by public officials, so as to avoid committing the same common law offence of 'misconduct in public office' as such public officials.

1.2. Entertainment

The Hong Kong Ordinance specifically excludes entertainment as an "advantage", which is defined as "the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions". Although entertainment is an acceptable form of business and social behavior, employees should turn down invitations to meals or entertainment that are excessive in nature or frequency, so as to avoid embarrassment or loss of objectivity, or which may otherwise adversely affect the reputation of the Group, when conducting the Company's business. If it is impolite to decline an invitation, the employee might accept, on the understanding that he be allowed to reciprocate.

1.3. Abuse of authority, company assets and proprietary information

Employees should not abuse their authority for personal benefit. Personal benefit includes the financial and personal interests of the employee and his family members, relatives, or friends.

Employees with authorization to manage or use the Company assets should use them solely for the purpose of conducting the Company's businesses. Unauthorized use of the Company assets by any employee is strictly prohibited.

Employees are not allowed at any time to disclose or misuse any proprietary information to anybody/company outside the Group without prior written permission of their respective head of business unit. Such proprietary information may relate to any and all aspects of the Group's operations both historical and/or projections, including investment strategies, sales and marketing plans, new products, financial information, intellectual property (including trademark, design or patent) applications, client databases, copyright materials etc.

It is the responsibility of each employee who has access to or is in control of the proprietary information to provide adequate safeguards to prevent its disclosure, abuse or misuse. Examples of misuse of proprietary information include disclosure of information in return for rewards (monetary or otherwise); use of information for personal benefit; and disclosure of information that may adversely affect the Group's interests.

As a Hong Kong listed company, the Company's directors, senior management, employees and anyone in possession of price sensitive/inside information should strictly observe the Code for Securities Transactions and the Inside Information/Price Sensitive Information Disclosure Policy adopted by the Company.

1.4. Conflict of Interest Situations

Conflict of interest situations arise when the personal interests of employees compete or otherwise conflict with the interests of the Company. Such situations at best can lead to divided loyalty and at worst can result in corruption or other malpractice.

The most common types of conflict of interest situations employees may be involved in are:

- having undeclared financial interests in any supplier, contractor or party that does business with the Company;
- offering assistance to the Company's competitors through providing them part-time employment or "consultancy" services, or other action;
- engaging in production or sale of services or goods in competition with the Company;
- using the Company's time and assets in performing outside work on the Company's premises; and
- giving unduly favorable treatment to particular supplier, contractor, customer, job applicant or subordinate for personal reasons which may or may not include financial gain for yourself or others.

Every employee of the Company should take it as his personal responsibility to avoid engaging in situations that may lead to or be involved in conflict of interest. He should at all times ensure that his/her dealings with customers, suppliers, contractors and colleagues do not place him/her in a position of obligation that may lead to a conflict of interest or the perception of a conflict of interest.

In cases where an employee or his/her immediate family might have engaged in or are considering engaging in business, investments or activities that might have existing or potential conflict with the Company's interests, it is the responsibility of the employee to promptly discuss and make full disclosure in writing to his respective head of business unit and copied to the Head of Human Resources & Administration Department.

1.5. Loans

An employee or his/her immediate family should not grant or guarantee a loan to, or accept a loan from or through the assistance of any individual or organisation having business dealings with the Company. There is, however, no restriction on normal loans from banks or financial institutions made at the prevailing interest rates and terms.

1.6. Records, Accounts and Other Documents

Employees shall ensure that all records, receipts, accounts or other documents submitted to the Company truthfully report the events or business transactions contained therein and shall not use documents containing false information to deceive or mislead the Company.

2. Relationship with Suppliers and Contractors

2.1. Fair and Open Competition

The Company promotes fair and open competition and aims at developing and securing long term relationship with suppliers and contractors based on mutual trust.

2.2. Meeting Public Interest and Accountability Standards

Procurement of supplies and services should be conducted in a manner of the highest ethical standards to assure a quality end product as well as the continued confidence of customers, suppliers, contractors and the public.

2.3. Procurement and Tendering Procedures

The purchase of goods or services should be based solely upon price, quality and business need.

Procurement and tendering actions should be based on the following principles:

- impartial selection of capable and responsible suppliers and contractors;
- maximum use of competition, considering the size of the purchase;
- selection of appropriate contract types according to needs;
- compliance with laws, relevant regulations and contractual obligations; and

- adoption of an effective monitoring system and management controls to detect and prevent bribery, fraud or other malpractice in the processes of procurement and tendering.

Procurement and tendering procedures implementing this policy will specifically include procedures and practices designed to detect and prevent fraudulent activities.

2.4. Bribery and Corrupt Practices

It is the policy of the Company not to engage in bribery and corrupt practices. Employees should familiarise themselves with, and follow the Company's policy on the acceptance of advantages (see section 1.1.3 above). Under no circumstances are they permitted to use insider information for their own private gain. Those involved in the selection of and purchase from suppliers and contractors should avoid misuse of authority or engage in situations which could interfere, or appear to interfere, with their ability to make free and independent decisions regarding purchase and procurement.

3. Monitoring of Compliance and the Means of Enforcement

3.1. Understanding and Compliance with the Code

It is the responsibility of every employee to understand and comply with this Code.

Management of subsidiaries or relevant departments should ensure in their day to day supervision that their subordinates fully understand and comply with the standards and requirements stipulated in this Code. Problems encountered in enforcement as well as comments or suggestions for improvement of this Code should be reported to the relevant department, for consideration and action.

3.2. Violation of the Code

The Company shall not tolerate any illegal or unethical acts. Anyone violating this Code is liable to be disciplined which may include termination of employment. Subsidiaries/relevant departments should report together when reporting on the implementation of the Code of Conduct of CITIC Limited. In case of suspected corruption or other forms of criminality, a report will be made to the appropriate authorities. In addition, violations of applicable anti-bribery and corruption laws may result in civil, criminal and/or regulatory penalties, including fines, restitution of profits,

and imprisonment, etc.

3.3. Whistleblowing

The Company recognizes the importance of whistleblowing and encourages whistleblowing of suspected violations of this Code within the Company in accordance with the applicable internal rules and regulations of subsidiaries/relevant groups, to protect the Company's interests and reputation. The Company will handle suspected case of fraud, corruption and other misconduct in a fair and proper manner, to discourage malicious allegations in bad faith and to shield the whistleblower from any possible consequential harm and loss. In the cases of suspected corruption or other criminal offences, a report will be made to the relevant authorities.