

## **Corporate Code of Conduct**

### **1. Background**

- 1.1 For over a century, the Swire group of companies has been recognised as acting responsibly in the course of achieving its commercial success. Our reputation for fair dealing and integrity is a great asset: preserving this asset depends on maintaining our high standards. Compliance with this Code is an essential part of our doing so.
- 1.2 This Code applies to all Relevant Persons and is applicable wherever Swire Properties does business. In the case of joint ventures, the Swire Properties representatives concerned are expected to act in accordance with this Code themselves and to use reasonable endeavours to influence those with whom they are working to ensure they also act to similar standards of integrity and ethical behaviour.
- 1.3 This Code establishes general principles. Certain areas covered by the Code may be the subject of more detailed provisions and requirements established by other documents.

### **2. Interpretation**

- 2.1 In this Code:

<b>“Advantage”</b>	includes any money, gift, loan, fee, reward, commission, employment, payment, release, discharge, contract, service, promise and any other favour.
<b>“Government Official”</b>	includes any officer or employee of any Government Entity or any candidate for political office.
<b>“Government Entity”</b>	means any national, regional or local government and any department, agency or instrumentality of the foregoing and any entity owned or controlled by another Government Entity (and also includes, for the avoidance of doubt, the government of Hong Kong).
<b>“Relevant Persons”</b>	means the employees (including secondees), officers and directors of Swire Properties Limited and its subsidiaries.

- 2.2 References to “Swire Properties” in this Code are to Swire Properties Limited and/or, as the context may require, its subsidiaries or any of them.

### **3. Operating Principles**

- 3.1 Swire Properties’ operating principles commit Swire Properties and Relevant Persons:

- to maintain high standards of business ethics and corporate governance
- to deal appropriately with our employees, those with whom we do business and the communities in which we operate

#### **4. Implementing our Operating Principles**

##### **4.1 Business Ethics**

Swire Properties is committed to conducting all its businesses with integrity and fairness. Relevant Persons are expected to maintain the highest standards of professionalism in all their dealings with others. They seek mutually beneficial relationships with contractors, suppliers and joint venture partners. They are required to promote the application of this Code in all dealings and to give preference in business dealings to those who adhere to similar business ethics. All Relevant Persons must comply with all applicable legal requirements.

##### **4.2 Conflicts of Interest**

A conflict of interest arises where a person's private interests interfere with the proper discharge of his official duties. Swire Properties is committed to conducting its businesses without conflicts of interest and this Code requires all Relevant Persons to avoid any situation which may lead to an actual or perceived conflict of interest without prior consent. Such consent should be sought in the first instance from the Human Resources & Administration Department ("HR&A"). Set out below is a non-exhaustive list of circumstances that would potentially give rise to a conflict of interest:

- Working for a non-Swire Properties company or non-affiliated organisation at the same time as being employed by Swire Properties.
- Becoming a member of a board of any non-affiliated commercial, financial or industrial organisation.
- A Relevant Person negotiating or transacting business with Swire Properties (other than employment contracts or retail purchases of Swire Properties products).
- Having an interest in a company (other than as a holder of securities in a company whose securities are listed on any stock exchange) which either competes with or has business dealings with Swire Properties.

Relevant Persons (except for non-executive directors of SPL) who wish to take up concurrent employment, whether on a regular or consultancy basis, must seek the prior written approval of HR&A before accepting the employment.

##### **4.3 Competition and Antitrust**

Swire Properties is committed to complying with all applicable competition and antitrust laws. Relevant Persons should acquaint themselves and comply with the applicable competition laws to which their businesses are subject. These are laws that aim to protect competition by prohibiting anti-competitive behaviour. Breach of competition laws is a serious offence and may expose Swire Properties to severe penalties and other sanctions, and individuals to imprisonment. Set out below is a non-exhaustive list of anti-competitive behaviour which would potentially amount to an infringement of competition laws:

- Participating in price fixing, collective boycotts or market sharing arrangements.

- Exchanging competitively sensitive information with competitors.
- Imposing restrictions on customers or suppliers, including retail price maintenance.
- Abusing a position of substantial market power or market dominance.

#### 4.4 Bribery

Swire Properties believes that conducting business with integrity is critical to continuing to develop Swire Properties as a successful, sustainable and responsible business group. Corruption hinders economic, social and political development and progress. Breach of anti-bribery laws, wherever and however this takes place, is a serious offence and may expose Swire Properties to significant fines and other penalties, and individuals to imprisonment. Even the appearance of a breach of anti-corruption laws can cause very significant damage to Swire Properties' reputation.

It is Swire Properties' policy that all Relevant Persons should comply with the anti-bribery laws to which they are subject. This Code sets out the standards of behaviour expected from Swire Properties and the anti-bribery compliance procedures adopted by Swire Properties.

##### A. Accepting Advantages

Relevant Persons should not solicit or accept any Advantages from any person or company having business dealings with Swire Properties (e.g. clients, suppliers, contractors). However, they are allowed to accept (but not solicit) the following gifts offered voluntarily:

- Advertising or promotional gifts of a nominal value; or
- Gifts given on festive or special occasions subject to a maximum limit of HK\$5,000.

Any Advantage or gift accepted by a Relevant Person should be in accordance with Swire Properties' procedures for "Acceptance of Advantages".

Relevant Persons should decline an offer of a gift if acceptance of it could affect the Relevant Person's objectivity, or induce the Relevant Person to act against Swire Properties' interests, or lead to questions of bias or impropriety.

##### B. Offering Advantages

Under no circumstances may a Relevant Person offer an Advantage to any person or company having business dealings with Swire Properties for the purpose of influencing such person or company in any business dealings. Relevant Persons should also exercise good judgment and practise moderation in giving gifts. Excessive gifts in terms of value or frequency should not be offered to potential or existing customers. Gifts bearing a Swire Properties logo are preferred. Any Advantage given in the conduct of Swire Properties' business should be in accordance with Swire Properties' procedures for "Offer of Advantages".

C. Observing local laws when working in another jurisdiction

Sections A and B above apply whether the solicitation, acceptance and offering of Advantages are within or outside Hong Kong. Any Relevant Person who conducts business on behalf of Swire Properties in another jurisdiction must abide by the laws of that jurisdiction, including laws and regulations on anti-corruption, and all other laws and regulations pertaining to ethical business conduct.

D. Payments to Government Officials

It is strictly prohibited to offer an Advantage to any Government Official with the intent of gaining business or requesting an Advantage for Swire Properties. Prohibited Advantages should not be made directly, through a Relevant Person's own personal involvement, or indirectly, for example by authorising or allowing a third party to provide a prohibited Advantage on behalf of Swire Properties. Any request for an Advantage by any Government Official in relation to gaining business or a business advantage for Swire Properties must be refused and promptly reported to an appropriate director or officer of Swire Properties.

E. Charitable contributions and sponsorship

Use of Swire Properties' resources to make or solicit contributions to charitable or other organisations, if done in accordance with applicable laws and regulations, is appropriate. Nevertheless, care must be taken to ensure that such activities do not create, or appear to create, an improper Advantage covered by this Code. Relevant Persons must comply with Swire Properties' procedures for "Charitable Contributions and Sponsorship" for contributions or solicitations of contributions by Swire Properties to charities or other organisations.

F. Entertainment and Corporate Hospitality

Although entertainment is an acceptable form of business and social behaviour, Relevant Persons should not accept lavish or frequent entertainment from persons with whom Swire Properties has business dealings if, by doing so, it might be perceived that they are placing themselves in a position of obligation to the offeror. When giving entertainment, company functions are normally preferable to entertaining individuals, though this does not preclude meals and similar entertainment of moderate expense for individuals with whom Swire Properties has dealings. The business purpose of entertainment and corporate hospitality should be documented.

Relevant Persons should be particularly vigilant concerning entertainment offered to them outside Hong Kong and turn down invitations to meals or entertainment that are excessive in nature or frequency and appear to have no or minimal business purpose. It should be noted that any free trips or travelling expenses are considered as Advantages. Without the prior consent of Swire Properties, acceptance of these advantages is strictly prohibited. Relevant Persons should follow Swire Properties' procedures for "Entertainment and Corporate Hospitality".

G. Travel Expenses

Travel expenses incurred on behalf of a person or company (including a Government Official or a Government Entity) that are directly related to promoting, demonstrating, explaining, or certifying Swire Properties' products or services, or that are directly related to executing or performing a contract with Swire Properties, may be proper. In practice, for purposes of promoting, demonstrating or explaining its services, Swire Properties may occasionally invite a person or company (including a Government Official) to travel to its facilities, offices and site tours, product demonstrations or business meetings at Swire Properties' expense. Swire Properties may reimburse such persons or organisations for reasonable and bona fide expenditures directly related to any such purpose, such as travel or lodging expenses. Reimbursed travel expenses may include the reasonable cost of such person or organisation's transportation, meals, lodging and entertainment.

H. Agents and Consultants

No individual or entity may be hired to commit bribery on behalf of Swire Properties. Special care must be taken when Swire Properties engages the service of an agent, consultant or other third party, when such party is expected to assist in developing business with potential customers or where such party will be involved in obtaining any government approvals or action. Relevant Persons should take all reasonable steps to ensure that such agent or consultant has fully complied or will comply with the applicable anti-corruption laws to which they are subject and to appropriately encourage them to adhere to the general principles as set out in this Code. The terms of engagement of agents and consultants should be clearly documented and duly approved, and the performance of agents and consultants should be monitored. Before engaging an agent or a consultant, the Relevant Person must follow Swire Properties' procedures for "Engaging an Agent or a Consultant". No consultant or agent should be proposed for consideration if there are suspicious circumstances that are not satisfactorily resolved. For example, that party:

- has a reputation for corruption;
- is likely to make improper payments or gifts;
- requests that his/her identity be kept secret; or
- requests (without a reasonable commercial justification) that he or she be paid offshore, up front or in cash.

I. Joint Venture Partners and Contractors

Swire Properties may be held responsible for the conduct of those whom Swire Properties hires to conduct business on its behalf or with whom Swire Properties joins to conduct business. Relevant Persons should ensure that these entities understand this Code and should comply with Swire Properties' procedures for "Joint Venture Partners and Contractors".

All Relevant Persons are required to take all reasonable steps to ensure that any individuals or companies (including contractors) hired to conduct business on behalf of Swire Properties and over which Swire Properties has direct control develop and implement anti-corruption policies consistent with the general principles of this Code. All such individuals or companies over which Swire Properties does not have direct control should be required contractually (and where not legally possible be appropriately encouraged) to develop and implement such policies as are appropriate to ensure compliance with the anti-bribery laws to which they are subject.

All Relevant Persons are required to take all reasonable steps to ensure that any joint venture partners are informed of the anti-bribery principles of this Code and to encourage them to apply such principles in their conduct of business.

*J. Loans*

Relevant Persons 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 Swire Properties. For instance, a conflict of interest arises when a supplier acts as a guarantor on a bank loan for an employee. There is, however no restriction on normal bank lending made on normal commercial terms.

*K. Training*

All Relevant Persons should receive anti-bribery training.

All employees should attend anti-bribery training organised by HR&A at least once every two years (except that those who need to handle cash or are involved in the decision making process of any business transactions should attend such training on an annual basis). In addition, all employees should sign an annual declaration on their compliance with Swire Properties Code of Conduct which includes Swire Properties' anti-bribery policies and procedures.

**4.5 Political Contributions**

Swire Properties, as a normal business activity, will lobby Government Entities either directly or through trade associations to promote policies that encourage business and achieve workable legislation. Relevant Persons should not make any political contribution (either in cash or in kind) on behalf of Swire Properties.

Political contributions include monetary and non-monetary items, such as loans or donations, free services and donations of an employee's time at work. No Swire Properties assets, including time at work and use of Swire Properties premises or equipment, or direct monetary payments may be made available or contributed to a political candidate or party or to support or oppose a ballot measure. This will not prevent paying for attendance at open social events hosted by political parties.

Relevant Persons may participate in political activities on an individual basis, with personal money and time, provided they do so in accordance with applicable laws and regulations. Swire Properties will not reimburse any personal political contributions.

#### 4.6 Gambling

Relevant Persons should not engage in frequent or excessive gambling of any kind with other Relevant Persons or with persons having business dealings with Swire Properties. In social games of chance with clients, suppliers or business associates, they must exercise judgment and withdraw from any high stake games.

#### 4.7 Procurement

In procurement, Swire Properties requires Relevant Persons to support the following principles:

- The Swire Properties group should develop policies as to the size of the purchase above which tendering should be carried out. For purchases exceeding this limit, suppliers should be selected on the basis of competitive tendering including the impartial selection of appropriately qualified suppliers.
- Whenever competitive tendering above the size thresholds is not carried out a file note explaining why such tendering was not done should be produced and kept on the supplier file.
- Re-tendering should in general take place at least every three years.
- Monitoring systems should be put in place to ensure the proper fulfilment of contractual obligations and to provide reasonable assurance that fraudulent or corrupt activities are prevented.
- Suppliers should be encouraged to make an annual statement that no personal benefit accrues to Swire Properties personnel or supplier personnel from this business arrangement and that they have complied with all legal requirements.
- Construction contract procurement should adhere to Section 10 “Contract Procurement Process” of the Swire Properties Project Manual. Contracts for the procurement of minor works and for property maintenance should adhere to Swire Properties Management Limited Tendering Procedures and General Guidelines. Exceptions should be approved by the Chief Executive.

#### 4.8 Keeping of Records

Swire Properties is committed to keeping proper records and following sound accounting policies. All company books, records, accounts, invoices and other documents must be created and maintained so as to reflect fairly and accurately and in reasonable detail the underlying transactions and the disposition of company business. All relevant expenses should be properly approved and recorded in the financial records.

This Code prohibits all Relevant Persons from making any false or misleading statements or other entries in financial records. This Code also prohibits Relevant Persons from creating, maintaining and using any off-the-record accounts with banks or any other third parties and from destroying company records before the normal destruction date.



#### 4.9 Use of Information/Company Property

This Code strictly prohibits Relevant Persons from providing or making available confidential or inside information to anyone outside Swire Properties without proper authorisation. Similarly, this Code strictly prohibits Relevant Persons from making use of confidential or insider information to secure advantage personally or for another party.

Directors and officers of Swire Properties are subject to more stringent requirements regarding transactions in shares of Swire Properties and these are set out in Swire Properties' Code for Securities Transactions by Directors.

The unauthorised appropriation of goods and services belonging to Swire Properties for personal use or resale and the unauthorised use of Swire Properties' assets for personal benefit are strictly prohibited.

Relevant Persons should not alter equipment or facilities or install software without specific authorisation or develop their own applications without management approval. Security precautions mandated by Swire Properties should be exercised when using personal computers and mobile devices, and no computer software should be installed or used on personal computers or mobile devices in breach of copyright.

#### 4.10 Whistle-blowing

All Relevant Persons have a responsibility to raise concerns about potential violations of the Code, including possible improprieties in financial reporting and internal controls. Any such concerns can be raised by staff either with their immediate superior (and if no satisfaction is gained then the Head of Department) or with HR&A or the Swire Group Internal Audit Department. If a substantive complaint is received, an impartial and prompt investigation will be held. If the issue still remains unresolved, it will be raised to the Chief Executive. Any material concerns will be reported to the audit committee which will ensure that appropriate investigative steps are taken. We will make every effort to keep the identity of the reporting staff confidential. Information received will be used only for the purposes of investigating and resolving the complaint or concern raised.

#### 4.11 Health and Safety and the Environment

Swire Properties is committed to doing its best to safeguard the health and safety of its employees, those with whom it does business and the communities within which it operates. It aims to create long term value for its shareholders. Achieving this depends on the sustainable development of its businesses and the communities in which it operates. To this end, Swire Properties is committed to being a good steward of the natural resources and biodiversity under its influence and to ensuring that all potential adverse impacts of our operations on the environment are identified.

#### 4.12 Equal Opportunities, Diversity and Respect in the Workforce

Swire Properties believes in equal opportunities for all its employees. Swire Properties recognises that its businesses (which are themselves commercially diverse) benefit from the diversity of its workforce. So it follows naturally Swire Properties encourages diversity



and its concomitant, equal opportunities. A properly diverse workforce is one whose members are not discriminated against. Relevant Persons must be fully compliant with applicable employment and other laws and must not tolerate unlawful discrimination, harassment or other breaches of applicable law. Unacceptable conduct must be reported to line managers, Head of Department or HR&A.

#### 4.13 Use of Social Media

Relevant Persons should not use any social media tools in any way which will bring Swire Properties into disrepute, disclose confidential information, interfere with the privacy of colleagues or those with whom Swire Properties does business, imply Swire Properties' endorsement of personal views or breach any applicable laws or regulations. Relevant Persons should comply with "Swire Group Social Media – Staff Guidelines" and "Swire Properties Social Media – Staff Guidelines".

#### 4.14 Privacy

Relevant Persons should comply with applicable legal requirements relating to the collection, holding, processing, disclosure and use of personal data. The privacy of others and the confidentiality of information received in the course of business must be respected.

### 5. **Compliance with the Code**

Relevant Persons must comply with the Code. Individuals who breach the Code will be subject to disciplinary action, which may include termination of employment. In cases of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate authorities, as considered appropriate.

Relevant Persons should not seek to avoid these provisions by using agents, partners, contractors, family members, controlled companies or parties acting on their behalf.