

HAECO

Corporate Code of Conduct

1. Background

- 1.1. The HAECO 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 HAECO does business. In the case of joint venture and associated companies, the HAECO 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 this Code may be the subject of more detailed provisions and requirements established by other documents. Business units within HAECO are required to adopt this Code which includes procedures designed to put these general principles into practice.

2. Interpretation

2.1. In this Code:

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| “Advantage” | includes any money, gift, loan, fee, reward, commission, employment, payment, release, discharge, contract, service, promise and any other favour. |
| “Code” | means this HAECO Corporate Code of Conduct. |
| “Connected Person” | includes any close relative of a Relevant Person and any company controlled by a Relevant Person or by a close relative of a Relevant Person. |
| “Government Official” | includes any officer or employee of any Government Entity, any candidate for political office, any close relative of any such officer, employee or candidate and any company controlled by any such officer, employee or candidate or by any such close relative. |
| “Government Entity” | 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). |
| “Relevant Persons” | means the employees (including secondees), officers and directors of HAECO and its subsidiaries. |
| “Close Relative” | includes parent, parent in law, son, son in law, daughter, daughter in law, step parent, step son, step daughter, brother, sister or the partner of any of the above. |

2.2. References to HAECO in this Code are to Hong Kong Aircraft Engineering Company Limited and/ or, as the context may require, its subsidiaries or associated companies in which HAECO has management control or any of them.

3. Operating principles

3.1. HAECO's operating principles commit HAECO 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

HAECO 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. HAECO 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 business unit's Human Resources Department. Set out below is a non-exhaustive list of circumstances that would potentially give rise to a conflict of interest:

- working for a non-HAECO company or non-affiliated organisation at the same time as being employed by HAECO;
- becoming a member of a board of any non-affiliated commercial, financial or industrial organisation;
- a Relevant Person or a Connected Person negotiating or transacting business with HAECO.
- 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 HAECO.

4.3. Competition and antitrust

HAECO 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 HAECO to severe penalties and other sanctions, and individuals to imprisonment. Business units should have in place arrangements intended to ensure compliance with competition and antitrust laws and designed in the light of their own business circumstances. 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; and
- abusing a position of substantial market power or market dominance.

4.4. Bribery

HAECO believes that conducting business with integrity is critical to continuing to develop HAECO 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 HAECO 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 HAECO's reputation.

It is HAECO's 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 HAECO and the anti-bribery compliance procedures adopted by HAECO.

A. Accepting Advantages

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

- advertising or promotional gifts and souvenirs with company logo of a nominal value; or
- gifts given on festive or special occasions subject to a maximum limit. For example, red packets ("Lai See") received during Lunar New Year where the amount is not more than HKD 100 / CNY 100 / USD 12.5.

Any Advantage or gift accepted by a Relevant Person should be in accordance with HAECO's procedures for "Acceptance of Gifts or Advantages" as set out below:

Relevant Persons should exercise good judgment and practise moderation in receiving Advantages (including entertainment).

For acceptance of Advantages over HKD2,000 / CNY 2,000 / USD 250, Relevant Persons must seek approval from appropriate directors or acknowledge the company secretary in case of acceptance by the CEO. For acceptance of Advantages below HKD2,000 / CNY 2,000 / USD 250, Relevant Persons should also seek approval from their respective department heads.

All acceptances in one calendar year from the same company or same offeror should be aggregated in determining whether the above reporting threshold is exceeded. All

declarations should be made within 30 days from the date of receiving the gifts or Advantages, and failure to report such a transaction is a breach of this Code.

If the director or the department head does not approve the acceptance of gifts, the Relevant Person must dispose the gift according to the instructions given by the approver, for example by including but not limited to returning the gift to the offeror, sharing it among colleagues in the office, or using it for the company's lucky draw.

Relevant Persons must 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 HAECO's 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 HAECO for the purpose of influencing such person or company in any business dealings. Any Advantage given in the conduct of HAECO's business should be in accordance with HAECO's procedures for "Offer of Gifts or Advantages" as set out below:

Relevant Persons should exercise good judgment and practise moderation in giving gifts. These should not be given in cash, cash equivalents or loans. Excessive gifts in terms of value or frequency should not be offered to potential or existing customers. Gifts bearing a HAECO logo are preferred.

Any Advantage offered in the course of HAECO's business (including any entertainment and hospitality) must be approved by the responsible director prior to the offer, if the value of the gift or Advantage is over HKD 2,000 / CNY 2,000 / USD 250.

C. Observing local laws when working in another jurisdiction

Any Relevant Person who conducts business on behalf of HAECO 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.

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 HAECO. Any request for an Advantage by any Government Official in relation to gaining business or a business advantage for HAECO must be refused and promptly reported to an appropriate director or officer of HAECO.

E. Charitable contributions and sponsorship

Use of HAECO's 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 the procedures for "Charitable Contributions and Sponsorship" as set out below for contributions or solicitations of contributions by HAECO to charities or other organisations.

Relevant Persons should conduct an anti-bribery check to ensure that donations or contributions to charitable or non-profit making organisations are not used as a subterfuge for bribery. For donations to charitable organisations, business units should check the eligibility of its charitable nature against the relevant authorities at the time of invoice or cashier order payment approval.

For sponsorship to non-profit making organisations, business units should provide a background search, a project brief or proposal, endorsed by appropriate directors or officers, together with the relevant invoice or cashier order for payment approval.

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 HAECO 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 HAECO 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 their own jurisdiction 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 HAECO, acceptance of these advantages is strictly prohibited. Relevant Persons should follow the procedures set out in HAECO's "Entertainment Expenses Guidelines".

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 HAECO's products or services, or that are directly related to executing or performing a contract with HAECO, may be proper. In practice, for purposes of promoting, demonstrating or explaining its services, HAECO may occasionally invite a person or company (including a Government Official) to travel to its facilities, offices and exhibits for plant tours, product demonstrations or business meetings at HAECO's expense. HAECO 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 and lodging.

H. Agents and consultants

No individual or entity may be hired to commit bribery on behalf of HAECO. Special care must be taken when HAECO 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 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 set out in this Code. Before engaging an agent or a consultant, the Relevant Person must follow the procedures for "Engaging an Agent, Consultant or other Third Party". No

agent, consultant or other third party should be proposed for consideration if there are suspicious circumstances that are not satisfactorily resolved. For example, if that party:

- has a reputation for corruption;
- is likely to make improper payments or gifts;
- requests that his 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

HAECO may be held responsible for the conduct of those whom HAECO hires to conduct business on its behalf or with whom HAECO joins to conduct business. Relevant Persons should ensure that these entities understand and comply with this Code and the “HAECO Supplier Corporate Social Responsibility Code of Conduct” (collectively referred to as the “Codes”).

Relevant Persons should follow the procedures for “Joint Venture Partners and Contractors” as set out below:

All Relevant Persons are required to take steps to ensure that any joint venture partners, contractors or any other individuals or companies hired to conduct business on behalf of HAECO and over which HAECO has direct control develop and implement anti-corruption policies consistent with the general principles of the Codes. All such individuals or companies over which HAECO does not have direct control should be required contractually (and where not legally possible be appropriately encouraged) to adhere to the general principles set out in the Codes.

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 HAECO. 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.

4.5. Political activities and contributions

Like any other citizens, Relevant Persons may participate in political activities on an individual basis, including by being members of political parties and standing for election to public bodies. At HAECO’s discretion, Relevant Persons may participate in political activities at times when they would normally be working. HAECO may also, at its discretion, reimburse costs which Relevant Persons elected to public bodies are expected to incur in performing their duties, if those costs are not reimbursed by the bodies to which they are elected. In participating in political activities, Relevant Persons must at all times comply with applicable laws and regulations.

HAECO, 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. However, HAECO does not itself make direct political contributions and Relevant Persons should not make direct political contributions (in cash

or kind, for example by permitting HAECO's premises or equipment to be used by political parties) on behalf of HAECO. This will not prevent paying for attendance at open social events hosted by political parties. Nor will it prevent Relevant Persons from making political contributions in their individual capacities or engaging in political activities as contemplated by the previous paragraph.

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 HAECO. In social games of chance with clients, suppliers or business associates, they must exercise judgment and withdraw from any high stakes games.

4.7. Procurement

In procurement HAECO requires Relevant Persons to support the following principles:

- Each business unit 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 HAECO personnel or supplier personnel from this business arrangement and that they have complied with all legal requirements.
- Business units are required to assess suppliers' compliance with the HAECO Supplier Corporate Social Responsibility Code of Conduct
- Business units are required to comply with the Swire Sustainable Procurement Policy.

4.8. Keeping of records

HAECO 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 HAECO's information and property

This Code strictly prohibits Relevant Persons from providing or making available confidential or inside information to anyone outside HAECO 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.

The unauthorised appropriation of goods and services belonging to HAECO for personal use or resale and the unauthorised use of HAECO's 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 HAECO 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. Health and safety and the environment

HAECO 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, HAECO 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.

4.11. Diversity, inclusion and respect in the workplace

HAECO is committed to creating an inclusive and supportive working environment for all its people regardless of their age, gender, gender identity, sexual orientation, relationship, family status, disability, race, ethnicity, nationality, religious or political beliefs. We believe in creating an environment where people feel comfortable at work and able to realise their full potential. All Relevant Persons are required to comply with HAECO's "Respect in the Workplace Policy".

4.12. Use of social media

Relevant Persons should not use any social media tools in any way which will bring HAECO into disrepute, disclose confidential information, interfere with the privacy of colleagues or those with whom HAECO does business, imply HAECO's endorsement of personal views or breach any applicable laws or regulations.

4.13. 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. Business units should comply with HAECO's "Personal Data Privacy Policy".

5. Compliance with the Code

Relevant Persons must comply with this Code. Individuals who breach this Code will be subject to disciplinary action, including termination of employment. In cases of suspected corruption or other criminal offences, a report will be made to the police or the appropriate authorities.

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

6. **Reporting Breaches of the Code**

HAECO is committed to providing Relevant Persons with appropriate tools and channels to comfortably report genuine concerns in relation to any breach of this Code. HAECO encourages Relevant Persons to report conduct that is inconsistent with HAECO's core values as laid down in this Code.

Any such concerns should be raised in the first instance by Relevant Persons with their immediate superior and if no satisfaction is gained then the head of the 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 head of the respective business unit. Any material concerns raised through the head of the respective business unit will be reported to the Governance Board which will ensure that appropriate investigative steps are taken.

Relevant Persons are encouraged to raise their concerns by sending letters or emails to HAECO's appointed Internal Auditors - John Swire & Sons (H.K.), Group Internal Audit Department (GIAD) at group.audit@jsshk.com. GIAD reports directly to HAECO's Governance Board. The GIAD team will track all concerns reported to them, and investigate their validity and impact within the shortest reasonable time. Any action required to rectify verified adverse findings will be escalated as deemed appropriate for each situation.

It would assist these investigations if Relevant Persons were willing to provide their names. However, HAECO appreciates that Relevant Persons may not feel comfortable disclosing their names when items reported are of a sensitive nature. To this end, HAECO encourages all Relevant Persons to report improprieties promptly and anonymously in accordance with HAECO's "Whistleblowing Policy".

Frank Walschot
Chief Executive Officer

13 July 2020