

HAECO - Corporate Code of Conduct

Purpose of the Code

HAECO 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.

HAECO's Code of Conduct sets out our commitment to our stakeholders and puts our employees and Directors (all referred to hereafter as "Relevant Persons") under specific obligations.

The Code of Conduct applies to all Relevant Persons of HAECO. In the case of joint ventures, 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.

Operating Principles

HAECO's Operating Principles commit the businesses and Relevant Persons to:

- ensure the safety of employees, customers, suppliers, business associates and the general public as a whole
- provide high quality products and services
- maintain high standards of business ethics and corporate governance
- meet the highest standards in discharging our corporate social responsibility commitments
- behave with courtesy and respect to everyone we encounter within the course of our business
- respect the privacy of personal and business data
- respect for community
- comply with applicable legal requirements and regulations

Business Ethics

HAECO is committed to conducting all its business with integrity and fairness. Relevant Persons are expected to maintain the highest standards of ethics and 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 to business partners who adhere to similar business ethics.

All Relevant Persons must comply with all applicable legal requirements and company policies.

The privacy of others and the confidentiality of information received in the course of business

dealings are respected.

Procurement Principles

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

- Each company in the HAECO 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 fulfillment 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.

Gambling

Relevant Persons are advised not to engage in frequent or excessive gambling of any kind with persons having business dealings with the Company. In social games of chance with clients, suppliers or business associates, they must exercise judgment and withdraw with any high stake games.

Keeping of Records

HAECO is committed to keeping proper records and following sound accounting policies. All company books, invoices: records, accounts must be created and maintained to reflect fairly and accurately and in reasonable detail the underlying transaction and disposition of company business. All relevant expenses should be properly approved and captured in the financial records.

Use of information/Company Property

This Code strictly prohibits Relevant Persons from providing or making available confidential or insider 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.

Directors and Officers of HAECO are subject to more stringent requirements regarding transactions in shares of HAECO and other listed companies and these are set out in the "Code for Securities Transactions".

The unauthorised appropriation of goods and services belonging to HAECO for personal use or resale and the unauthorised use of company information or property 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 should be exercised when using personal computers, and all computer software should be used in strict compliance with the laws of copyright.

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 business 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.

Set out below is a non-exhaustive list of circumstances that would potentially give rise to a conflict to interest:

- Working for non-HAECO company or non-affiliated organisation at the same time as having employment in HAECO.
- Becoming a member of a board or an officer of any non-affiliated commercial, financial or industrial organisation (which may have business dealing with HAECO).
- Negotiation or transactions by a Relevant or Connected Person* for business with any HAECO company (other than with respect to his employment contract or retail purchase of HAECO products at market or employee group rates).

* As defined in Chapter 14A of the Listing Rules.

Political Contributions

HAECO as a normal business activity will lobby government and inter-governmental bodies either directly or through trade associations to promote policies that encourage business and achieve workable legislation.

Anti-Bribery

HAECO is committed to abiding by all relevant laws in order to prevent bribery whenever HAECO undertakes business. This applies to:

- Relevant Persons not accepting bribes: That is they should not solicit any advantage from any person having business dealings with the Company. Nor should they accept any such advantage if such act could affect their objectivity in conducting the Company's business or induce them to act against the interest of the Company, or lead to allegations of impropriety. Further they should ensure that the appropriate managers in the Company are informed of any advantage they have accepted.
- Relevant Persons not giving bribes: They must not offer a bribe to any person or company for the purpose of influencing their actions. Any advantage given in the conduct of the Company's business should be with the prior written approval of the head of respective business unit.

Statement about Bribery and Corruption of John Swire & Sons Limited (as attached) should also be noted.

Items considered bribes are advantages which include money, loans, fees, rewards, gifts, employment, offices, contracts, services or other favour for the Relevant Persons or Connected Persons given to persons without their principals' knowledge when they are acting as agents. There is, of course, no restriction on normal loans from banks or other financial institutions made at prevailing rates and terms, nor does bribery include traditional gifts of nominal value given during festive seasons.

Facilitation payment should not be made in any case. Facilitation payments, including any such payments made or received by agents and intermediaries, are payments being small, unofficial payments made to secure or expedite the performance of a routine or necessary action.

Although entertainment is an acceptable form of business and social behaviour, Relevant Persons should not accept lavish or frequent entertainment from persons with whom the Company 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 preferable to entertaining individuals.

Relevant Persons should therefore exercise good judgment and practice moderation in giving and receiving business gifts and entertainment. These should not be given in cash, cash equivalent, or loans; they should not be excessive in frequency or value.

For acceptance of advantages (includes any money, loan, fee, reward, commission, employment, payment, release, discharge, contract, service, promise and any other favour other than gifts and entertainment and hospitality), gifts or entertainment and hospitality over HK\$2,000, Relevant Persons should get approval from appropriate directors, or acknowledge the company secretary in case of acceptance by the CEO. For acceptance of advantages below HK\$2,000, Relevant Persons should also get approval from respective department head, the only exception is for Lai See received during Lunar New Year in which approval from respective department head is required only if the amount is more than HK\$100. For acceptance of gift valued at more than HK\$800, except for promotional items and souvenirs with company logo, approval must be obtained from respective department head. All acceptances in one calendar year from the same company or same offeror should be aggregated in determining whether the reporting threshold is exceeded. All declaration should be made within 30 days from the date of receiving the gifts or advantages or within 30 days after the end of each calendar year if more than one acceptance is expected, 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 staff has to dispose the gift according to the instruction given by the approver, i.e. returning to the offeror, sharing among the office, using for company lucky draw etc.

In case of offer of advantages, gifts or entertainment and hospitality, approval should be obtained from the responsible director prior to the offer, if the value of the gifts or advantages is over HK\$2,000. For offer of gifts or advantages at or below HK\$2,000, approval from responsible director is not required but approval for payment and declaration form in accordance with the payment authorisation matrix is still required. Approval of offers should be obtained for each individual offer but all offers in one calendar year to the same company or same party should be aggregated in determining whether the reporting threshold is exceeded. All copies of declaration forms should be attached to the Cashier Order for reimbursement or invoice for payment approval.

All original copies of declaration forms should be sent to Personnel Department which will keep a register of all these transactions. Details of the declaration flow and declaration form are available at Personnel Department.

Suppliers (including contractors, subcontractors, agents and service providers) should be notified to follow the HAECO Supplier Corporate Social Responsibility Code of Conduct, which is available at the HAECO's web site. All purchase orders and contracts should include a termination clause if there is a breach of Anti-Bribery Policy by the Suppliers. The clause must state that "The Supplier must not under any circumstance offer or make any cash or cash equivalent gift, payment, loan or other advantage to any of HAECO staff. The offer or giving of such advantage may constitute an offence made under any jurisdiction. The offer or giving of such advantage will entitle HAECO to terminate the order without any compensation whatsoever to the Supplier and without prejudice to rights and remedies on the part of HAECO. Suppliers should notify HAECO for any gifts or entertainment given or received at more than HK\$2,000 in relation to the businesses with HAECO. User

departments should declare such gifts or entertainment in accordance with the procedures set out above. An annual declaration from major suppliers on compliance with the Supplier Corporate Social Responsibility Code of Conduct is required. Background check may also be performed to see if the supplier has any anti-corruption policy and any records of involvement in bribery cases before entering into any supplier contract.

The existing Supplier CSR Code of Conduct will be extended to cover joint venture partners insofar as the provisions are applicable. They are encouraged to follow the HAECO Supplier Corporate Social Responsibility Code of Conduct. Due diligence will be performed prior to entering into contracts with joint venture partners, especially in their Anti-Bribery policy and records of involvement in bribery cases. Joint venture partners should notify HAECO for any gifts or entertainment given or received at more than HK\$2,000 in relation to the business with HAECO. User departments should declare such gifts or entertainment in accordance with the declaration procedures.

An anti-bribery check should be carried out 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, user department should check the eligibility of its charitable nature against the Inland Revenue Department at the time of invoice or cashier order payment approval. For sponsorship to non-profit making organisations, user department should provide a background search, a project brief or proposal, which is endorsed by appropriate directors or officers, together with the invoice or cashier order when passing to Finance Department for payment.

Environment, Health and Safety

HAECO is committed to conducting its business in a manner which fosters the sustainable use of the earth's resources, minimises as far as commercially practicable any adverse impact on the environment, and protects the health and safety of its employees, customers, business associates, community neighbours and the general public.

Respect in the Workplace

HAECO is committed to providing an inclusive work culture and appreciates and recognises that all people are unique and valuable and should be respected for their individual abilities. HAECO treats all employees fairly and equally and is committed to be an equal opportunity employer. HAECO will not tolerate any form of harassment and is striving to eradicate all forms of discrimination at its work places on the basis of gender, religion, race, nationality or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, family status, age or political opinion. The Code requires all Relevant Persons to behave with courtesy and respect towards everyone encountered in the course of business.

The Code promotes the following principles:

- Upholding all applicable legal and corporate occupational health and safety standards
- Not permitting any breaches of employment law or the use of child or forced labour
- Reporting unacceptable conduct to line management or the business unit head
- Not condoning bullying and harassment
- Complying with any legal requirements concerning the collection, holding, processing, disclosure and use of personal data
- Respecting intellectual property rights, including copyright, belonging to others

Compliance with the Code

All Relevant Persons are expected to comply with the Code of Conduct and to take necessary steps to ensure the Code of Conduct is complied with at all times. Whenever appropriate, Relevant Persons shall issue policies, guidelines and rules to effect and supplement the contents set out in this Code.

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

Anyone who is in breach of the 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 appropriate authorities.

Reporting Breaches of Corporate Code of Conduct

HAECO is committed to providing staff with appropriate tools and channels to comfortably report genuine concerns in relation to any breach of Corporate Code of Conduct. We encourage staff to report conducts that is inconsistent with the HAECO's core values as laid down in the Corporate Code of Conduct (reference to the relevant code of conduct).

Any such concerns should be raised in the first instance by staff 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 Audit Committee which will ensure that appropriate investigative steps are taken.

Staff is encouraged to raise their concerns by sending letters or emails to our appointed Internal Auditors - John Swire & Sons Group Internal Audit Department ("GIAD") at group.audit@jsshk.com. GIAD reports directly to the Company's Audit Committee which consists of three non-executive Directors of the Company. 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 staff were willing to provide their names. However, we appreciate that staff may not feel comfortable disclosing their names when items reported are of a sensitive nature. To this end, we consider it is important to provide staff with the facility to report any such concerns promptly and anonymously.

It is our intention that all items reported receive prompt, professional and impartial follow-up and that all details of submissions will be kept confidential as far as practical in all cases. Staff who report concerns with the behaviour of other employees with good honest intentions will not face any action by the Company.

Customers, suppliers and all business partners of HAECO are also encouraged to report any breaches of the Corporate Code of Conduct. If they note any conduct of Relevant Person which is inconsistent with the Corporate Code of Conduct, they can report to GIAD or directly to the CEO of the Company.

Augustus Tang
Chief Executive Officer

30 October 2012

**John Swire & Sons Limited
Statement about Bribery and Corruption**

John Swire & Sons Limited ("JS&S") believes that conducting business with integrity is critical to continuing to develop the Swire group 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 JS&S (and other members of the Swire group) 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 our reputation.

The Swire group's commitment to conducting its business with integrity and in accordance with appropriate ethical standards is a long-established policy. Violations of the policy are a serious disciplinary offence. We are committed to upholding our standards wherever we operate, with the intention that the countries and communities in which we do business should properly benefit from our operations.

It is our policy that all companies within the Swire group (and all employees, officers and directors of those companies) should comply with the anti-bribery laws to which they are subject. All companies in the group are required to have in place anti-corruption policies and procedures designed to ensure and monitor such compliance. Anti-corruption policies must be reviewed and updated regularly in the light of changing circumstances.

Compliance with our anti-bribery policy must be reported on annually by each relevant entity within the Swire group to the entity to which it reports within the group. Entities which receive reports in turn must make reports to the entities to which they report, with JS&S being the ultimate recipient of reports from entities which report directly to JS&S.

Our anti-corruption commitment extends to third parties with whom the Swire group does business. We expect such third parties to comply with the anti-corruption laws to which they are subject in just the same way as we expect our own group companies to comply.