

Business Ethics

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1. Introduction

This policy has been created to provide a framework and guidance on the Company's approach to achieving and maintaining good business behaviour and environment by means of sound ethical conduct.

It serves to ensure that all employees are aware of their individual and collective responsibilities with regards to the Company's ethics, and to emphasise its' employees' and customers' expectations to being treated fairly and in accordance with good business practices.

2. Scope

The purpose of this policy is to maintain a culture of openness, trust and integrity in the Company's business practices. Effective ethics is a 'team effort' involving the participation and support of every employee.

The Company is committed to protect employees, business partners and suppliers from illegal or damaging actions by individuals, either knowingly, or unknowingly. When the Company addresses issues proactively and uses correct judgement, it will help to set the Company apart from its competitors and help further enhance its reputation.

3. Policy

RS2 is committed:

- to the highest standards of ethics and compliance with all applicable laws, regulations, rules and policies
- to set and lead by example. In any business practice, honesty and integrity are of the primary importance
- to have an open door policy and welcome suggestions and concerns from all employees. This creates an environment that will allow employees to feel comfortable discussing any issues and will serve to alert Management to concerns within the Company
- to hold paramount the safety, health and welfare of the public in the performance of the Company's professional duties
- to build professional reputations on the merit of our capabilities and refrain from competing unfairly with others
- not to engage in any business practice or process or with any entity, including potential customers, that does not meet the Company's ethical standards

The Employee is committed:

- to disclose any conflicts of interest regarding his/her position with the Company
- to engage in carrying out the Company's mission in a professional manner and in line with the core values of the Company which includes integrity
- to recognise that the main function of the Employer is at all times to serve the best interests of its current and future customers, and to do this with respect, concern, courtesy and responsiveness
- to treat everyone fairly, have mutual respect, promote a team environment and avoid the intent and appearance of unethical or compromising practises
- to treat all persons with respect and consideration, regardless of race, religion, gender, sexual orientation, maternity, marital or family status, disability, age or national origin
- to respect the structure and responsibilities of management, provide them with facts and advice as a basis for decision and policy making, and uphold and implement decisions and policies adopted by management
- to demonstrate the highest standards of personal integrity, truthfulness and honesty in all activities in order to inspire confidence and trust in such activities, both internally and externally

- to strive for personal and professional excellence, encourage the professional development of others and keep up to date on emerging issues affecting the Company and its business
- to conduct themselves at all times with professional competence, fairness and impartiality

a.) Compliance with the guidelines, both internally and external

All employees and representatives of RS2 need to observe these rules in their daily work. You need to advise all commercial agents, distributors, suppliers and service providers of them and make the Partner Code of Ethics the subject of business relations, e.g. by including them in a partner agreement.

b.) Whistle-blowing and consequences under disciplinary law

RS2 will look into any alleged violation of this policy without delay. RS2 is explicitly in favor of employees reporting any violations, failures or irregularities internally. They will not be tolerated, and may have consequences under disciplinary law, right up to the employment contract being terminated. Any violations of this policy, or other shortcomings in regard to it, are to be reported immediately.

c.) Business communication

Employees are required to ensure that their communication is appropriate, courteous and correct, irrespective of the means by which it is transmitted (by email, on paper or over the telephone). Inappropriate emails may, in certain circumstances, be illegal (an example would be the use of RS2' IT systems to send or receive jokes about minorities) or they may give a false impression of RS2.

Examples

- Misleading statements which defame third parties, and could consequently lead to an action being filed against the company
- Emails with fake news, which could harm the company. Please ensure that the content of every notification is correct, that it is business-related in nature, and that its content is not prohibited (e.g. tortious notifications sent to third parties sharing inside information).

You should always ask yourself how you yourself would feel if an inappropriate notification were to get into the hands of the media, or were to be used in a court of law.

d.) Preventing money-laundering

As a financial services provider, RS2 is a particular target for being used as a provider of accounts for funds originating from illegal business transactions, and ultimately helping perpetrators indirectly to conceal the origin of such funds. Money laundering means that the criminal origin of cash or revenues is concealed via lawful transactions. It is also illegitimate for someone to support terrorism with lawfully generated cash. Investigative authorities the world over act based on rigid anti-money laundering laws, which allow for tracing and seizing laundered money. Transactions may be liable to prosecution if money is laundered through them, or the nature and origin of the funds is concealed. Even the mere attempt is liable to prosecution, as is the obstruction of prosecution.

Examples:

- A money launderer is given information by an RS2 employee that impairs or hinders preliminary investigation.
- A well-founded suspicion is not reported, even though there is clear evidence of a service provider engaging in a money-laundering activity. The employee does not, however, want to jeopardize the business relationship, and therefore remains silent.

It is in particular to be noted that

- employees need to strictly comply with the directives on the company's administration of funds and financial management, e.g. the "Know your Customer" procedure
- employees need to be trained on this topic annually
- employees also need to critically review all service providers, and need to oblige the latter to the security measures.

e.) Corruption and bribery

RS2 does not tolerate either bribery or corruption, and demands of its employees that they implement these rules, also in relation to all business partners. For RS2 and its employees, that

means that all statutory provisions of the countries in or with which transactions take place are relevant.

Elements of an offense of corruption or bribery are penalized with a prison sentence. Under civil law, extraordinarily high fines may be imposed upon RS2 or its representatives, as well as on the perpetrators. In addition, such an offense would mean a serious loss of reputation for RS2.

In order to avert any losses to the company, RS2 will do everything in its power to prevent bribery and corruption, and actively proceed against anyone who has disregarded these rules. RS2 observes all national laws against bribery and corruption in the countries where it operates.

Examples:

- Contempt of the Gift and Hospitality Guideline An example of this would be if, in order to conclude a contract, a sales representative of RS2 were to offer a representative of the customer the opportunity to fly to a luxury hotel in a holiday paradise, with RS2 bearing all the expenses of it.
- Christmas presents sent to suppliers or advisers which inappropriately exceed the acceptable reference value.
- Facilitation payments, often small sums of money, which are supposed to have the effect of a transaction still being concluded in the current financial year, so that the sales representative can reach his or her own commission threshold.
- Bribes, such as kick-back payments, involving, for example, a price being fixed that is a multiple of the normal price, so that, in spite of supposed price negotiations, a substantial commission is still left for the business partner.

It is in particular to be noted that:

- RS2 may terminate an employee's employment contract if the latter fails to dispel any conflicts of interests, or behaves suspiciously, and does not, for instance, wish to disclose his or her expenses invoice.
- RS2 operates in the banking industry. Even the smallest payments, such as an evening meal laid on for bank employees of a bank with government involvement or in which the government holds an equity interest, may constitute bribery. Some of these employees are civil servants.

- Receipts, specifying the exact details of payment and the reasons for the payment, are to be collected and requested.
- If an employee already suspects that a payment is irregular, he or she is obliged to follow up on the suspicion, and inquire about the case.
- Should an employee be unsure, he or she should always bring up the matter with his or her supervisor or the Legal Department.

f.) Rules on competition

The respective applicable competitive regulations in the countries where RS2 does business are to be observed. They prohibit or require specific types of conduct to ensure that there is no unfair competition. If said rules are not observed, that may also entail considerable civil and penal consequences for RS2 as a company, but also for its management bodies and officers.

Examples:

- Pricing collusion is prohibited, and consequently the intention to collude on prices as well.
- Agreeing exclusivity in a contractual relationship is prohibited.
- Agreeing profit margins and manipulating bids in a bidding procedure are not permitted.
- Any apportionment of any given market is not permitted.
- Discriminating against customers is prohibited.
- It is also prohibited to conclude arrangements about customer territories or minimum resale prices with traders or resellers.

It is in particular to be noted that:

- It is irrelevant, in regard to culpability, whether an action is ultimately carried out or has only been agreed upon, or whether the other party turns down the suggestion.
- Any situations which even just allow for a suspicion of an anti-competitive action are to be avoided. This in particular applies to surreptitiously, passively taking part in meetings

- where an employee suddenly finds himself or herself in an anti-competitive situation again, he or she must end it immediately. For example, if he or she is in a meeting where all of a sudden prices are agreed between competitors, he or she must immediately leave the meeting and record the incident in writing.

g.) Trade embargoes, punitive tariffs

Despite there being a great number of free market zones and liberalized markets, there are still some countries which subject other countries, or certain products from some countries, to trade embargoes or punitive tariffs. Employees are therefore required to observe all regulations applicable in the countries where RS2 has a branch or trades, especially embargoes imposed by the UN, the EU, the USA, Brazil and the Philippines.

Examples:

- A US company may not have any trading relations with individuals or companies in Iran.
- Certain aspects of trading relations between Cuba and the USA are restricted by the USA.
- The EU imposes punitive tariffs on certain US products.

It is in particular to be noted that:

- Even subsidiaries are mandatorily obliged to comply with the import provisions of the country of import.
- Some countries also impose civil and penal consequences upon the individuals involved, e.g. impose a ban upon entering the country on a director, since a subsidiary has sold products to a land subject to an embargo.

h.) Trading with sales intermediaries (commercial agents, sales consultants, distributors, other service providers)

RS2 operates in various fields, doing business with some countries via representatives, consultants or distributors, and pays commission or remuneration under any other name which may, in light of anti-corruption laws, arouse the impression that the transaction was illegal.

Therefore all commission or other remuneration paid out must be in line with the services provided, detailed in the contract, and duly invoiced. Cash payments in connection with said payments are prohibited.

i.) Conflicts of interests

It is important for all employees cultivating business relations with third parties, such as customers, commercial agents, distributors, suppliers and competitors, to observe regulations under unfair competition law. Any type of relationship which arouses the slightest suspicion of an employee having a personal interest in the matter is in conflict with the interests of RS2, and is absolutely to be avoided. Nobody should allow himself or herself to be exposed to any situations where a business decision is suspected of having been influenced by a gift, preference or hospitality accorded to a third party. It is in particular expected of employees that the corporate policy on gifts and hospitality is complied with. No-one may make use of his or her position at RS2, or internal information kept within the company, to his or her own advantage, or misuse it.

Examples:

- An employee or a family member of the employee holds shares in a company that maintains business relations with RS2. This is especially volatile if such shareholding is substantial, or the company is privately held.
- An employee works, in his free time, or by way of secondary employment, for third parties that are customers, commercial agents, distributors, suppliers or competitors of RS2.
- Employees who work for their own benefit, and thereby come into conflict with RS2's business interests.
- An employee applies for a job which is in conflict or competition with the interests of RS2.
- An employee accepts those gifts, hospitality services or benefits from business partners or third parties which, according to the corporate guidelines, "Gifts and hospitality services" are prohibited, or, alternatively, they are permitted, but it appears that the employee develops a relationship of dependency towards the donor, or that he or she is influenced by the when taking decisions.

It is in particular to be noted that

- there may be exceptions to the prohibition on employing relatives at RS2. A summer job for one's own children, relatives or acquaintances is, as a rule, not a violation, however Human Resources is to be notified of the relationship in advance.
- No employee may be a direct supervisor of a relative, spouse or cohabitee without it having been approved by the employer in advance.
- Employees always need to notify their management of any benefits received or intentions to receive gifts, or ask for permission in regard to any major benefits that are pending.
- To the extent that employees are not certain whether a benefit falls within the permitted scope, consent is to be obtained from the management in advance.

j.) Protection of the assets, confidential information and software programs of RS2

All employees are required to handle RS2's assets carefully, irrespective of whether material assets (i.e. operating resources, such as computers, technical equipment, warehouse stocks, furniture, etc.) or intangible assets (such as intellectual property, software, business secrets, confidential information) are concerned. Particular attention is to be paid to the corporate guidelines for the protection of confidential information and intellectual property.

Assets and property of RS2 are exclusively to be used for the purposes of the agreed contractual work, and not for the employee's own use. No confidential information about RS2 may be disclosed to a third party either, without the latter being duly approved or necessary on mandatory legal grounds. It is always to be kept safe. Any infringement may even be liable to prosecution.

Examples:

- The use of RS2 products for the employee's own private benefit.
- Disclosing information on collateral or business secrets of RS2 to third parties.
- The use of corporate computers to download pornographic or indecent material or send it to others.

It is in particular to be noted that:

- the assets of the company may also not be altered
- the use of private IT equipment at the company may constitute an entrance door for attacks on the company's IT security.

- The IT systems of RS2 may only be used for personal purposes (e.g. a search on the Internet) to the extent that is expressly permitted.
- Any software that is not for use outside the sphere of business or for the benefit of the employee may not be copied.

k.) Donations to political parties

RS2 does not participate in giving donations to political parties.

l.) Environment, health and security, as well as conduct guidelines when employed by RS2

All employees of RS2 are obliged to comply with the applicable laws, regulations and guidelines on sustainability and environmental protection, as well as health and safety at work. This also, and especially, applies to and in regard to business trips. Should security precautions be proposed, employees are required to comply with them.

RS2 offers equal opportunities for everyone. It is open to all employees to continue to develop their professional career and skills. Any promotion is oriented exclusively towards the capabilities, skills and expertise of the employee concerned. RS2 does not tolerate any discrimination based on age, handicap, sexual orientation, gender identity, religion or race. Employees are obliged to be courteous when dealing with one another. Every RS2 business is linked to these principles.

Examples:

- Stealing corporate property
- Drug or alcohol abuse
- Sexual or racist harassment or mobbing of employees

It is in particular to be noted that:

- an employee may always be threatened with consequences under disciplinary law, also for misconduct outside business hours, if the latter may have an impact upon the reputation of RS2 or another employee of RS2.

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