



[Bermuda Banking Code of Ethical Conduct]

SETTING THE STANDARDS OF ETHICS FOR BANKS, THEIR STAFF
AND REPRESENTATIVES IN BERMUDA.
EFFECTIVE 29 FEBRUARY 2020

Introduction

OUR ROLE IN SOCIETY

Our customers count on us to provide them with a safe place to deposit money, to offer a variety of access points to banking and financial services and to help businesses prosper and grow.

We understand that trust is critical to our customer relationships. We need to do the right thing in order to earn and maintain that trust. Customers, investors, employees and community expect our behavior to meet high ethical standards, backed up by the right internal culture and practices. We are committed to continuously improving and being held accountable.

In fulfilling these responsibilities, we will continue to contribute to the stability, strength and prosperity of Bermuda. The Banking Code of Ethical Conduct (“the Code”) is one of the ways we strive to achieve these goals.

WHAT IS THE BANKING CODE OF ETHICS?

The Code sets out a number of guiding principles and commitments in the Bermuda banking industry for customers. The Code complements the Bermuda Banks and Deposit Companies Act 1999 in promoting best practice and encouraging higher standards for the benefit of customers through competition and market forces.

The Code is a voluntary code which sets standards of good banking ethics in Bermuda and explains how banking institutions subscribing to the Code and their staff are expected to deal with customers.

The way in which the principles of the Code are implemented will depend on factors such as the bank’s products, distribution channels, customer portfolio and geographical extent of its business. In smaller banks, for example, it may not be practicable to implement in full some of the specific measures recommended in this Code, yet the bank may be able to take other measures that achieve substantively the same result.

Statement of Guiding Principles

The following Guiding Principles provide an ethical, customer-oriented and sustainable framework to guide us in our decision-making when performing our duties and serving our customers. Underpinning the Statement of Guiding Principles are the commitments that each bank agrees to. We will act fairly and reasonably in all our interactions with you by meeting all the principals and commitments in this Code.

A. Conduct Business with Integrity

A.1. We are committed to acting honestly and with integrity

- A.1.1. We will co-operate as an industry so that you enjoy secure and reliable banking and payment systems you can trust.
- A.1.2. If you have money in a dormant account, it will always be your property (or if you die, it may become part of your estate). This is the case no matter how many years pass. In the case of an account in the name of a company, the provisions of Bermuda's Companies Act 1981, as the same is amended from time to time will apply.

A.2. We are committed to being fair and responsible in our dealings with our customers and the wider community.

- A.2.1. Where you have consented, you accept that we may pass your information to certain companies that may offer products and services that meet your financial needs.
- A.2.2. We may inform you about other services or products we offer.
- A.2.3. Under normal circumstances, we will not close your account(s) without giving you at least 30 calendar days' notice. Examples of circumstances which are not "normal" include threatening or abusive behaviour towards our staff and improper use of a product and/or service.

B. Act Fairly and Reasonably in all Our Dealings with Customers

B.1. We are committed to having due regard for the interests of customers in fulfilling the responsibilities we have undertaken.

- B.1.1. When you choose a product or service, we will (a) provide you with a clear explanation of the key features of the product or service you desire; (b) give you information on any product or service we offer if you ask; and (c) outline to you the information we need from you to satisfy our due diligence requirements and to appropriately assess the suitability of any products you may be interested in.
- B.1.2. Some transactions may be subject to government charges or taxes, for example Foreign Currency Purchase Tax (FCPT).

- B.1.3. If you have or apply for a product or service with us that involve credit we may pass your details to credit reference agencies.
- B.1.4. If you find yourself in financial difficulties, you should let us know as soon as possible. We will work with you, and with your co-operation, we may be able to develop a plan with you for dealing with your financial difficulties and, where appropriate, we will fully document it with you. If it appears to us from the operation of your account that you may be in financial difficulties, our first step will be to contact you to discuss the matter. The sooner we discuss your problems, the easier it will be for both of us to find a solution. The more you tell us about your full financial circumstances, the more we may be able to help.
- B.1.5. Before we give you a credit card limit, we will make an assessment of whether you will be able to repay it. We will make sure that your minimum repayment covers more than that month's interest.
- B.1.6. In certain circumstances we may pass your debt to another organisation or debt-collection agency. We will always choose reputable firms.
- B.1.7. We may increase your credit limit on your credit card. You can contact us at any time if you want to reduce your credit limit or opt out of receiving credit limit increases. You can ask us to increase your credit limit and we will consider this when we have made the appropriate checks; sometimes, we may decide to reduce your credit limit.

B.2. We are committed to identifying conflicting interests and being fair and transparent when conflicts occur.

C. Customer Complaints

C.1. We are committed to informing customers of how complaints may be made and how they can expect us to respond.

- C.1.1. We will provide you with information about our complaint procedures if you ask.

C.2. We are committed to handle customer complaints transparently, competently, diligently, and impartially.

- C.2.1. We will handle complaints you make fairly and will provide you with a final response in a timely manner, but we may need to ask you for further information to assist any investigations we conduct in response to your complaint.

C.3. We are committed to acknowledging when we have received and are considering a customer complaint, including any relevant information to help the customer understand our complaints management processes.

C.3.1. If you are not happy with the outcome of our response to your complaint, we will tell you what further steps you can take.

C.4. We are committed to learning from complaints we receive from our customers.

D. We will act in accordance with our legal and regulatory obligations

D.1. We are committed to informing our customers which regulatory organization(s) supervise our business activities.

D.1.1. We reserve the right to freeze or close your account if we suspect any illegal activity, if requested to do so by any relevant authorities, or if you have not provided us with requested updated customer information.

D.1.2. Please make sure you let us know as soon as possible when you change your (a) name; (b) residential address; (c) mailing address; (d) telephone number; and (e) e-mail address (if this is how we communicate with you). If we do not hold correct information we may temporarily block your account(s) to protect us both.

D.2. Any advertisement we publish that relates to the offering of financial services we provide will state by whom we are regulated, and the business activities we are licensed to conduct.

E. We will communicate clearly and appropriately with our customers

E.1. We are committed to communicating information to customers in a way that is adequate, fair and not misleading.

Products and Services

E.1.1. When you become a customer, we will make available information on the interest rates which apply to your account(s), and when interest will be applied to your account(s). We will also provide you with our website address, our telephone numbers and the other ways in which you can find out about changes in interest rates on your account(s).

E.1.2. We will tell you the various channels through which we offer our products and services, for example, over the telephone, on the internet or through our branches, if asked.

E.1.3. If you want to transfer money abroad, we can tell you how to do this. When you buy or sell foreign currency, we can give you an explanation of the service and

details of the foreign exchange rate and charges which apply to foreign-exchange transactions will be made available to you.

- E.1.4. If money is transferred to your bank account from abroad, we will provide you with the original amount received and any charges.
- E.1.5. We will tell you how standing orders and banking recurring transactions work, and how you may cancel one of these when you no longer need it, if asked.
- E.1.6. We will tell you how we will deal with out-of-date cheques, if asked.
- E.1.7. If we plan to close or move any of our branches (excluding ATMs) we will inform you within a reasonable period of time. We will also tell you how we will continue to provide banking services to you.
- E.1.8. If we cannot help you with a specific query or request, we will explain the main reason why if you ask us to.

Statements

- E.1.9. To assist you in managing your account and check entries on it, we will make available to you regular account statements.
- E.1.10. We will make available to you a monthly statement for your credit card, unless your account has a nil balance and has not been used. The monthly statement will include information about transactions since the last statement date, any interest that applies and the minimum repayment.
- E.1.11. If you make a cash withdrawal with a credit card, it will be treated as a cash advance and we may charge you a handling fee and interest at the cash advance rate from the date of the withdrawal.
- E.1.12. We will tell you about our systems, and if they allow you to choose and change your PIN, if asked.
- E.1.13. Depending on how you conduct a transaction, funds may be delayed in their availability for your use.

Fraud Prevention, Account and Information Security

- E.1.14. Online banking is safe and convenient as long as you take a number of simple precautions. Keep your PC and mobile devices that you use for online banking secure. Use up-to-date anti-virus and spyware software and a personal firewall. Caution should be taken when using a public computer or a public wireless network. Keep your passwords and PINs secret; never store these in your computer. Treat e-mails, text, and social media messages that you receive with caution and be wary of e-mails or calls asking you to reveal any personal security details. We will never contact you to ask you to reveal your online banking or

payment card PINs or your password information. Our websites are usually a good place to get help and guidance on how to stay safe online. Be aware of “phishing” scams where you are asked to follow a link to a website purportedly belonging to your bank to fill details of your account. Never enter your data on such websites.

- E.1.15. Always access the bank’s website via their official website address (which is always widely publicized and is protected against such scam attempts). If you are uncertain or suspicious about a request, always contact your bank using the bank’s general telephone number. We will also provide you with information through our website and/or printed material in our banking halls to help you guard against online banking scams. Our staff will also provide you with information if you ask.
- E.1.16. We recommend that you check your account statement regularly. If there is an entry which seems to be wrong, you should tell us as soon as possible so that we can investigate the transaction. Regular checks on direct debits and standing orders will help you be sure the money is going where you want it to go.
- E.1.17. We will treat all of your personal information as private and confidential (even when you are no longer a customer).
- E.1.18. The care of your cheques, cards, PINs and other security information is essential to help prevent fraud and protect your accounts. We recommend the following actions to help you protect the security of your accounts:
- Do not keep your cheque book and cards together. Do not allow anyone else to use your card, and do not tell anyone else your PIN, password or other security information.
 - If you change your PIN, you should choose your new PIN carefully.
 - Try to remember your PIN, password and other security information, and destroy the notice of the same as soon as you receive it. Never write down or record your PIN, password or other security information.
 - Always take reasonable steps to keep your card safe and your PIN, password and other security information secret at all times. Never give your account details or other security information to anyone.
 - Keep your card receipts and other information about your account containing personal details (for example, account statements) safe and destroy them carefully.
 - When you write a cheque, it will help to prevent fraud if you draw a line through any unused space in the payee space, words space and figures space to avoid someone adding extra information in these spaces.

- Take care when storing or getting rid of information about your accounts. People who commit fraud use many methods, such as “bin raiding”, to get this type of information. You should take simple steps such as shredding printed material.

E.1.19. We also provide you with information to help prevent fraud and protect your accounts through our website and/or printed material in our banking halls. Our staff will also provide you with information if you ask.

E.1.20. If you suspect that the security of your account has been breached, for example because your card is lost or stolen or you suspect that someone else knows your PIN, password or other security information, then it is essential that you tell us as soon as you can using a telephone number or email address we have given to you for that purpose. If you do not recognize a transaction on your account statement, we can give you more details if you ask us within a reasonable period of time. We may need to ask you for more information, including confirmation or evidence that you have not authorised any transactions. If we confirm a transaction is unauthorized, we will refund the transaction value and any interest charged to you, unless you have acted fraudulently or without reasonable care.

E.1.21. If any money is wrongly taken from your account as a result of a bank error we will refund your account with the amount of the transaction and all charges and interest charged by us as a result of this transaction within statute of limitations as these apply.

E.1.22. If you act fraudulently, you will be responsible for all losses on your account. If you act without reasonable care, and this causes losses, you may be responsible for them. (This may apply if you do not follow E.1.18 or you do not keep to your account’s terms and conditions.)

E.1.23. Unless we can show that you have acted fraudulently or without reasonable care, your liability for the misuse of your card will be determined by the terms and conditions of your account.

E.2. We are committed to providing our customers with written terms and conditions that apply to ongoing services we provide.

E.2.1. We will provide you with any relevant terms and conditions for the product and/or service you have asked us to provide when you apply to become a customer or accept a product and/or service for the first time.

E.2.2. All terms and conditions will be fair and will set out your rights and responsibilities clearly, legibly and in plain language. We will only use legal or technical language where necessary.

- E.2.3. You can find out about all of our service fees and charges by (a) contacting us by telephone; (b) viewing our fee schedule on our website or in our branches; or (c) asking our staff.
- E.2.4. When you apply for a credit card, we will tell you the features of the products and make the terms and conditions available to you.
- E.2.5. If we offer you an overdraft, or an increase in your existing overdraft limit, we will tell you if your overdraft is repayable on demand.
- E.2.6. When you open a joint account, we will require you to sign an agreement that will explain the rights and responsibilities of the account parties.
- E.2.7. You can find out about our interest rates by (a) contacting us by telephone; (b) checking our website; or (c) asking our staff.
- E.2.8. When you become a customer, we will provide you with details of any charges for the day-to-day running of your account or direct you to such charges available on our website.
- E.2.9. All details of any charges we make for using cash machines will be available to you on our fee schedule.
- E.2.10. From time to time we may change our terms and conditions for products or services, including charges and fees. When we do this, we will make the applicable terms and conditions available to you in a timely manner..
- E.2.11. When we change our interest rates on your accounts, we will update the information through any medium deemed expedient by us which may include but not be limited to the local media, our website and/or in-branch displays.
- E.2.12. To cancel a cheque or standing order, you must advise us in writing.
- E.2.13. To cancel a direct debit, you can tell the originator of the direct debit. We recommend you keep the proof of cancellation.
- E.2.14. To cancel a recurring transaction, you must tell the originator. We recommend you keep proof of cancellation.
- E.2.15. Log onto your bank's internet banking, where applicable, to cancel future payment instructions.
- E.2.16. It may not be possible to cancel a specific payment if you do not give sufficient notice.

E.3. We will ensure that our advertising and promotional literature for products and services are clear and not misleading.

E.3.1. We will ensure that all advertising and promotional material is clear, fair, reasonable and not misleading.

E.3.2. We will exercise caution when sending marketing material to you, particularly if it relates to loans or overdrafts.

E.3.3. We will not insist that you buy an insurance product through or from us when we agree to provide you with a lending product.

E.4. We are committed to ensuring that an advertisement will not contain a statement, promise or forecast which is untrue or misleading;

E.4.1. Each bank will publicize any changes to their base lending rate through any medium they deem expedient, which may include but not be limited to the local media.

Closing and Contact Information

The BBA is happy to provide this Code as a sign of our commitment to our customers and other stakeholders to provide a transparent framework for banking in Bermuda.

We invite questions and comments which can be submitted to BBAExec@protonmail.com or to your individual bank.