

Group Market Conduct Policy

Version No	5.1
Document Type	Policy
Parent Document	Enterprise Risk Management Framework
Parent Framework	Compliance
Document Approver Name	Nicolas Fanucci
Document Approver Job Title	Global Head, CFCC, CIB, EA, ASA and AME
Document Owner Name	Nicolas Fanucci
Document Owner Job Title	Global Head, CFCC, CIB, EA, ASA and AME
Document Contact Name	Simon Andrews
Document Contact Job Title	Executive Director, CFCC Client & Market Conduct
Business Scope	All Businesses
Function Role	All Functions
Geography Scope	GLOBAL
Approval Date	22/11/2024
Effective Date	31/12/2024
Next Review Date	31/12/2026

Table of Contents

1. PURPOSE AND SCOPE	4
2. MANDATORY POLICY STATEMENTS	4
2.1. Market Abuse and General Market Conduct	4
2.2. Suspicious Transaction and Order Escalation and Reporting (STOR)	5
2.3. Price Submissions and Benchmark Participation	5
2.4. Market Colour and Market Commentary	5
2.5. Heightened Risk Transactions.....	6
3. RESPONSIBLE ROLES FOR IMPLEMENTING THE MANDATORY POLICY STATEMENTS	6
4. POLICY RELATED AUTHORITIES.....	7
5. CONNECTED PROCESSES AND ACTIVITIES	7
6. POLICY EFFECTIVENESS REVIEW	8
7. INTERCONNECTED POLICIES & STANDARDS	9
8. STANDARDS MAPPED TO THIS POLICY	11
9. DEFINITIONS.....	12
10. APPENDIX	14

Version Control Table

Name	Changes made	Materiality	Approved by	Version number	Approval Date	Effective Date
Simon Andrews	Migration to Inline format- Non Material Change(No change to document content)	Non-Material	Nicolas Fanucci	5.1	22/11/2024	31/12/2024

The full version history is included in [Appendix](#).

1. PURPOSE AND SCOPE

The Group Market Conduct Policy (“**Policy**”) provides a high-level summary of the market conduct and the prevention of market abuse regulatory requirements, which aims to protect the Group and increase market integrity and investor protection. This Policy sets out the key market conduct standards and behaviours expected by all Staff within the Group.

This Policy sets out the requirements for the Group to identify, record and manage market conduct risks in accordance with the external laws and regulations that have been identified to be material to the Group, having regard to the Group's footprint, including but not limited to:

- Financial Conduct Authority Handbook
- Prudential Regulation Authority Rulebook
- The UK onshored Market Abuse Regulation
- The UK onshored Markets in Financial Instruments Directive and Regulation
- The UK onshored European Market Infrastructure Regulation
- The UK onshored Benchmark Regulation
- Rulebooks established by applicable trading venues and other infrastructure providers.

This Policy is mapped to “Market Conduct”, a level 2 risk within the Group’s Non-Financial Risk Taxonomy. The L3 risks are mapped to the underlying documents including Standards and supplementary documents such as Guidance Notes, Manuals, Department Operating Instructions (DOI).

This Policy does not establish the approach to tax, technical accounting, sustainability or other risks or considerations arising from market structure. Treatment of those risks remains the purview of the appropriate RFO.

This Policy is also supported by the Group Code of Conduct and Ethics which all Staff must read, understand and comply with these requirements along with the requirements of this Policy.

2. MANDATORY POLICY STATEMENTS

2.1. Market Abuse and General Market Conduct

2.1.1 All Staff must:

- a. Observe proper standards of market conduct and comply with this Policy, the related Standards (collectively “**Market Conduct Standards**”) and the legal and regulatory requirements in all relevant jurisdictions the market activity will impact.
- b. Complete all mandatory market conduct training.
- c. Ensure that they do not facilitate or engage, either individually or in collusion with any other internal or external party, or encourage another in the following prohibited activities which would constitute market abuse:
 - Unlawful Disclosure

- Insider Dealing (including attempted Insider Dealing); and
 - Market Manipulation (including attempted Market Manipulation).
 - Dissemination of false or misleading information, including in relation to benchmarks
- d. Contact the respective CFCC Advisory teams for guidance when there are doubts or suspicions about any activities that might constitute a legal, regulatory or policy breach.
- e. Escalate to CFCC where there is a reasonable suspicion that any activities might constitute market abuse.

2.2. Suspicious Transaction and Order Escalation and Reporting (STOR)

2.2.1 Global Head of Compliance Surveillance and Head of CFCC Control Room must ensure the following:

- Routine detection in place to detect potential market abuse; and
- Suspicious market activities are escalated to relevant CFCC for conclusion, and evaluation for regulatory notification as required.

2.2.2 Global Heads of Businesses and Functions must ensure that appropriate controls are in place to enable them to have oversight of Clients' activities to identify potentially abusive behaviour and that any activities which may constitute market abuse are escalated to CFCC.

2.2.3 Country Head of CFCC must ensure that Country CFCC determine whether any suspicious transaction requires regulatory notification or filing and that such notifications or filings are submitted accordingly.

2.3. Price Submissions and Benchmark Participation

2.3.1 Markets and Treasury Markets ("TM") Staff who engage in price and benchmark submissions must:

- a. Not facilitate or engage in activities to influence or artificially set any benchmark rate.
- b. Ensure that any information, relating to a price or rate for a financial instrument, transmitted or communicated to external parties is true, accurate and not misleading.
- c. Obtain relevant approvals as required in the Markets and TM Price Submissions Compliance Standard for adding, ceasing or reactivating participation in a Financial Benchmark.
- d. Escalate to the Country Heads of Markets and TM CFCC and the Country Heads of Markets and TM when the Group data is being used to create a reference that could be classified as a Financial Benchmark.

2.3.2 The Country Heads of Markets and TM and Head of Valuation Control must review and sign-off the inventory of price submissions relating to their jurisdiction on a six-monthly basis to confirm that the inventory contains all submissions made, and that all price submissions have been identified.

2.3.3 Markets Desk Heads must ensure that price submissions for Financial Benchmarks are managed in accordance with the FM and TM Price Submissions Compliance Standard.

2.4. Market Colour and Market Commentary

2.4.1 Staff must ensure that Market Colour and Market Commentary are fair, clear, balanced and not misleading.

2.4.2 Staff outside of the Markets Research Division must not author and disseminate any material that would constitute or purports to constitute independent Research Material.

2.4.3 Staff should not initiate or comment on market rumours. Staff should only disseminate information based on a market rumour when:

- the market rumour is widely circulated in public media and there are at least two reliable sources of information;
- the communication clearly states that the subject matter is a market rumour;
- the market rumour is not sensationalised, embellished, or given any additional credibility; and the sources of the rumour are quoted.

2.4.4 Staff must ensure that Market Commentary and Market Colour is limited to the provision of publicly available information and exclude the following information:

- a. guarantees of future market movements;
- b. information that is confidential to the Group or its Clients (including Prospective Clients);
- c. any Inside Information relating to any financial instrument; and/or
- d. reference to any issuer that is on the Restricted List with a communication related restriction (except for stating factual information already in the public domain).

2.5. Heightened Risk Transactions

2.5.1 The Global Heads of Businesses are responsible for ensuring that they establish and maintain a process for identifying, reviewing, approving or rejecting transactions that present heightened legal, regulatory, accounting, tax, financial disclosure and/or reputational risks (“**Heightened Risk Transactions**”).

2.5.2 The Global Heads of Businesses and Functions are responsible for ensuring that Staff are trained to identify Heightened Risk Transactions that are required to be reviewed and approved through the relevant business process.

3. RESPONSIBLE ROLES FOR IMPLEMENTING THE MANDATORY POLICY STATEMENTS

- All Staff
- Markets and Treasury Markets Staff
- Global Heads of Businesses and Functions
- Global Head of Compliance Surveillance
- Country Heads of CFCC
- Country Heads of Markets and Treasury Markets CFCC
- Head of CFCC Control Room
- Country Heads of Markets and Treasury Markets
- Markets Desk Heads
- Head of Valuation Control

4. POLICY RELATED AUTHORITIES

All requests for Dispensations to this Policy must be submitted to, and approved by, the Policy Owner.

Relevant CFCC Business Advisory Heads/Standard Approvers and Standard Owners must inform Policy Owner team immediately if there is a dispensation request to Market Conduct Standards.

All Dispensations must be recorded centrally on GovPoint.

Please refer to the [CFCC Guidelines for Group Dispensations](#) and [CFCC Guidelines for Country Dispensations and Local Addenda](#) for more guidance.

4.1 Local Addendum

Where there are local requirements that are stricter than those set out in this Policy due to local regulatory requirements and/or audit commitments, the stricter local requirements shall prevail and must be recorded in a Local Addendum.

A Local Addendum must be approved by the Country RFO and recorded centrally on GovPoint. Please refer to the [CFCC Guidelines for Country Dispensations and Local Addenda](#) for more guidance.

5. CONNECTED PROCESSES AND ACTIVITIES

The following key processes in the Group Process Universe are connected to this Policy and set out in detail below:

- (a) Affluent and Wealth Management Process Universe
- (b) CCIB Client Coverage Process Universes
- (c) Financial Markets Process Universe
- (d) Transaction Banking Process Universe

The following key processes in the Group Process Universe are impacted by the above policy requirements:

a. General Market Conduct

- FM | Trade Initiation, Execution & Capture Financial Markets | Market Data Capture and Submissions
- FM | Channel, Sales Management and Client Communication Financial Markets | COMMODITIES | Management Information, Controlling & Reporting
- Financial Markets | DERIVS | Management Information, Controlling & Reporting
- Financial Markets | COMMODITIES | Settlements & Clearing
- Financial Markets | CASH | Settlements & Clearing
- Financial Markets | DERIVS | Settlements & Clearing

b. Suspicious Transaction and Order Escalation

- Compliance | Trade Surveillance
- Compliance | E-Communications Surveillance

- Compliance | Voice Surveillance
- Control Room Trade Surveillance (new process soon to be ORF)
- Compliance | STOR Escalation Handling

c. Price Submission and Benchmark Participation

- Financial Markets | Market Data Capture and Submissions

d. Market Colour and Commentary

Markets

- FM | Channel, Sales Management and Client Communication

Wealth Management

- CPBB | WM - Market Commentary and Market Event

e. Heightened Risk Transaction

Markets

- FM | Channel, Sales Management and Client Communication

CIB Merger & Acquisition (M&A) Advisory

- M&A Advisory

Capital Markets / CSDG

- Financial Markets | FM Private Side | Deal Pre-Screening
- Financial Markets | FM Private Side | Deal Origination

6. POLICY EFFECTIVENESS REVIEW

The Policy Owner will monitor effectiveness of this Policy and its underlying Group Standards through the following measures:

- Group Standard Owners' review and validation of the effectiveness of the controls relevant to their Standards; and
- Oversight and assurance conducted by Group Standard Owners.

In addition, CFCC may undertake periodic second-line assurance through CFCC Assurance Reviews in line with the risk-based prioritisation approach set out in the CFCC Assurance Methodology.

These control assessments and Compliance review findings must be reported at the relevant business-level, product-level or functional-level non-financial risk committee and country non-financial risk committee ("CNFRC").

7. INTERCONNECTED POLICIES & STANDARDS

Policy Name	Parent RTF	Policy Owner	Area of connection
Group Relationships with Clients Policy	Compliance Risk Type Framework	Global Head, CFCC, CIB, EA, ASA and AME	Client conduct risks are ancillary to Market Conduct risk. The Group Relationships with Clients Policy provides the requirements to protect the integrity of markets where it involves client communication as well as complaints management.
Group Conflicts of Interest Policy	Compliance Risk Type Framework	Global Head, CFCC Frameworks and Policies	Failure to identify, record and/or manage conflicts of interest may lead to unfair market outcome. This Policy outlines the overall risk management approach of L3 Conflicts identification and mismanagement under Conflict of Interest.
Group Best Execution and Order Handling Policy	Compliance Risk Type Framework	Global Head, CFCC, CIB, EA, ASA and AME	Inappropriate transaction execution may lead to unfair market outcome. Staff should refer to this Policy and underlying Standards for requirements related to execution of transactions.
Group Competition and Anti-Trust Policy	Compliance Risk Type Framework	Global Head, CFCC CPBB and AME	Anti-competition risks are ancillary to Market Conduct Risk. The Policy provides the requirements to protect the integrity of markets where it involves anticompetitive behaviour.
Volcker Policy	Compliance Risk Type Framework	Global Head, Volcker and Swap Dealer Compliance	Violation of a country or extraterritorial regulation specifically applicable to trading

Policy Name	Parent RTF	Policy Owner	Area of connection
			activities or investment activities may lead to market manipulation and/or distortion. Staff involved in Proprietary Trading and Covered Fund investments must comply with the requirements in the Volcker Policy.
FM Systematic Internaliser Policy	Compliance Risk Type Framework	Head, CFCC Advisory, Financial Markets, Controls & Reg Implementation	Breach of stabilisation requirements may lead to market manipulation and/or distortion. When dealing with a financial instrument, Staff must assess whether the Group is a systematic internaliser under Markets in Financial Instruments Directive II and comply with this policy if required.
Group Transactional Conflicts and Information Walls Standard	Compliance Risk Type Framework	Head, Control Room and Transactional Conflicts	Inappropriate sharing of non-public information may constitute insider trading and market distortion. All staff must adhere to information wall requirements set out in Group Transactional Conflicts and Information Walls Standard to mitigate risks of non-public information.
Group Data Quality Management Standards	Compliance Risk Type Framework	Global Head, Data Conduct, CFCC	Data risks are ancillary to Market Conduct risks. Staff must maintain records in line with Group Data Quality Management Standard in terms of operational requirements for accurate, complete, reliable and timely data as part of the day-to-

Policy Name	Parent RTF	Policy Owner	Area of connection
			day operations of the Business to protect the integrity of the market
Group Automated Trading Policy	Compliance Risk Type Framework	Head, CFCC Advisory FM, Macro and UK & Europe	Inappropriate design, development or deployment of automated trading activities (including algorithmic trading) may result in unfair customer outcomes or market disruption. This Policy outlines the overall risk management approach of L3 Automated Trading Risks under Market Conduct.

8. STANDARDS MAPPED TO THIS POLICY

The Standards underpinning this Policy are set out in the table below. The Standards listed in this table are those that are either in effect; or have been approved and are pending implementation, as at this Policy's effective date. Revisions to any Standards after this Policy's effective date will be reflected in the next version of this Policy.

As documented in the table, the role holders listed below (Standard Approver) are deemed to have delegated authority to approve corresponding Standards and corresponding dispensations.

Standard Name	Parent RTF	Standard Owner	Standard Approver
Market Conduct Standard – Markets, Financing & Securities Services and Treasury	Compliance Risk Type Framework	Head, CFCC Advisory FM, Macro and UK & Europe	Global Head, CFCC, Markets, Islamic Banking and ME
Off – Premises Arrangements Standard – Financial Markets Sales and Trading and Treasury Markets	Compliance Risk Type Framework	Head, CFCC Advisory FM, Macro and UK & Europe	Global Head, CFCC, Markets, Islamic Banking and ME
Financial Markets Heightened Risk Transactions Standard	Compliance Risk Type Framework	FM COO FMT Product Services	Head, CFCC, Advisory, FM Sales, Structuring & Treasury Markets
Managing Regulated Markets Regulatory Risk Standard	Compliance Risk Type Framework	Head, CFCC Advisory FM, Macro and UK & Europe	Global Head, CFCC, Markets, Islamic Banking and ME

Financial Markets Market Commentary, Market Colour and Investment Recommendations Provided by Sales and Trading Standard	Compliance Risk Type Framework	Head, CFCC, Advisory, FM Sales, Structuring & Treasury Markets	Global Head, CFCC, Markets, Islamic Banking and ME
Group Wealth Management Market Commentary Standard	Compliance Risk Type Framework	Chief Investment Officer	Global Head, CFCC Advisory, Wealth Management
Financial Markets and Treasury Markets Price Submissions Compliance Standard	Compliance Risk Type Framework	Head, CFCC Advisory FM, Macro and UK & Europe Head CFCC Advisory, TM Sales, Structuring and research	Global Head, CFCC, Markets, Islamic Banking and ME
OTC Derivatives Risk Mitigation Standard	Compliance Risk Type Framework	Head, CFCC Advisory FM, Macro and UK & Europe	Global Head, CFCC, Markets, Islamic Banking and ME

9. DEFINITIONS

These definitions must be read together with the Glossary of Master Definitions.

Term	Definition
Financial Benchmark	Any price, estimate, index or value which is: 1) Made available to users (whether free of charge or for payment). 2) Calculated periodically with reference to the value of one or more underlying interests, and 3) Used for reference or purposes that include one or more of the following: a. Determining the interest payable / sums due, under loan agreements or under other financial contracts or instruments. b. Determining the price at which a financial instrument may be bought, sold, traded, redeemed or valued, or c. Measuring the performance of a financial instrument.
Insider Dealing	Insider dealing arises where a person possesses Inside Information, Syndicate Confidential Information and / or Borrower Restricted Information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of Inside Information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, shall also be considered insider dealing.

	For more details, please refer to Group Transactional Conflicts and Information Walls Standard.
Inside Information	<p>Inside Information is a subset of Confidential Information. It is defined as information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.</p> <p>For more details, please refer to Group Transactional Conflicts and Information Walls Standard.</p>
Investment Recommendation	Information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial instruments or the issuers, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public.
Market Colour	Generic observations on current market activity/behaviour based on publicly available information (e.g. data from brokers) and/or information derived from either or client activity.
Market Commentary	Any communication that contains a commentary or strategy covering market events, market conditions, companies, financial instruments, commodities, interest rates or currencies. Please refer to the relevant business standards for detailed definitions and criteria.
Market Manipulation	<p>Various forms of manipulative, deceptive or fraudulent activities or behaviour, including the following:</p> <ul style="list-style-type: none"> • Transactions or trades which give, or is likely to give, false or misleading signals to supply, demand or price for financial instruments including related spot commodity contract and an auctioned product based emission allowances where applicable. • Transactions or trades which move the price of financial instruments including related spot commodity contract and an auctioned product based on emission allowances where applicable to an abnormal or artificial level. • Any form of fictitious device, deception or contrivance. • Dissemination of false or misleading information, including in relation to benchmarks. • Securing a dominant position over the supply or demand for a financial instrument which creates unfair trading conditions. • Submission, cancellation or amendment of orders to trade on a trading venue, which disrupt the normal functioning of that venue or create a false or misleading impression about supply or demand for a financial instrument. • Communicating an opinion (including taking advantage of access to the media) about a financial instrument and profiting from the impact of the opinions voiced, while having an interest in that instrument which is not properly disclosed.

10. APPENDIX

APPENDIX A – Version Control Table

Document Author Name	Changes made	Materiality	Approved by	Version number	Approval Date	Effective Date
Stephen Noone	Removed Research requirements from Policy		LCRRC	3.0	NA	NA
Stephen Noone	Added referenced to relevant CB Guidelines	Non material	LCRRC	3.0	NA	NA
Rob Williams	Minor changes to titles with One Bank reorg	Non material	Stephen Noone	3.1	NA	NA
Nicholas King	Updated with text referencing Market Colour and changed owner to Gary Mander	Non material	Joel Cook	3.2	NA	NA
Gary Mander	Addition of MiFID II Requirements	Non material	CRRC	3.3	NA	NA
Lori Lin	<p>This version update adopts the new ERM policy template requirements and consolidates a number of market conduct related control documents. It incorporates mandatory policy statements from the following policies that are now retired and replaced by this Policy:</p> <ul style="list-style-type: none"> • Market Commentary and Market Colour Policy • Structured Transactions Approval Policy • FM Price Submission Compliance Policy <p>Mandatory policy statements have also been</p>	Material	Nicolas Fanucci	4.0	23 March 2020	31 March 2020

Document Author Name	Changes made	Materiality	Approved by	Version number	Approval Date	Effective Date
	<p>elevated from the following:</p> <ul style="list-style-type: none"> e. FM Structured Transactions Approval Guidelines f. Group WM Market Commentary Creation and Dissemination Procedure g. FM Market Commentary, Market Colour and Investment Recommendation on provided by Sales and Trading Procedure – h. Financial Markets i. Group Compliance Suspicious Transaction and Order Handling Procedure 					
Janeann Macharia	<p>This version update adopts the new ERM Policy template and makes changes to the document contact name and minor changes to the titles of this documents' owner and of those identified as interconnected policies and standards.</p> <p>It adopts the names of the new Compliance risk sub types through the change in reference from Market Manipulation to Market Conduct.</p>	Non material	Stuart Murray delegate for Nicolas Fanucci	4.1	17 Jan 2023	1 March 2023

Document Author Name	Changes made	Materiality	Approved by	Version number	Approval Date	Effective Date
Simon Andrews	<p>This version update adopts the new ERM Policy template and makes changes to the document contact name and of those identified as interconnected policies and standards.</p> <p>Key revisions include:</p> <ul style="list-style-type: none"> (a) Inclusion of prospective clients to existing scope of Clients definition (b) Removal of retired documents (c) Inclusion of OTC Derivatives Risk Mitigation Standard (d) Inclusion of definitions for insider dealing and inside information (e) Inclusion of Automated Trading Policy as Interconnected Policy (f) Change in market manipulation definition to reflect regulatory requirements (g) Inclusion of references to Risk Taxonomy and key regulatory sources 	Material	Nicolas Fanucci	5.0	22 November 2024	31 December 2024