



Code of Conduct and Business Ethics Supplement

DISCOVER INFORMATION TECHNOLOGY (SHANGHAI) LIMITED SUPPLEMENT TO THE DISCOVER FINANCIAL SERVICES CODE OF CONDUCT AND BUSINESS ETHICS

1. Introduction

The Discover Information Technology (Shanghai) Limited Supplement (the “Shanghai Supplement”) to the Discover Financial Services Code of Conduct and Business Ethics (the “Code”) forms part of, and must be read in conjunction with, the Code and all other policies and procedures referred to in the Code. The Shanghai Supplement sets forth principles and legal requirements specific to China that you must follow in your activities at Discover Information Technology (Shanghai) Limited (“DITS”) or as a representative of Discover Financial Services (together with its subsidiaries, the “Company”) while in China or elsewhere. In addition, you must comply with your individual business unit, department or regional policies and procedures.

It is your responsibility to read and understand the Code, as well as the policies included/referenced in the Code. It is also your responsibility to have an understanding of the laws applicable to your employment at Discover and specifically to your job functions, as well as to comply with both the letter and the spirit of the laws, policies, standards, and regulations applicable to you. This requires that you avoid actual misconduct, as well as any behaviors that may appear as improper. If you do not understand any information in the Code or have any questions about your responsibilities, immediately speak with your manager and a representative from Human Resources to obtain clarification.

Consistent with applicable law and established procedure, the Company reserves the right to amend the Code, the Shanghai Supplement and any of the policies referenced in the Code at any time. Any substantive amendments will be communicated and will be in force upon completion of any consultation procedures, as may be required under the applicable laws. The Discover Financial Services Board of Directors and the Management Risk Committee are responsible for reviewing and approving the Code, the Shanghai Supplement, and policies referenced in the Code on an annual basis.

To the extent the Shanghai Supplement conflicts with the Code or any of the policies referenced in the Code, the Shanghai Supplement will govern.

2. Scope

The Shanghai Supplement to the Code applies to all DITS employees, including officers, as well as any other Company employees, who are permanently or temporarily residing and/or working in China.

3. Political Contributions and Activities

In China, political contributions to a Foreign Official (as defined in the Company’s Anti-Bribery and Anti-Corruption Policy) may be considered a bribe. Accordingly, you **may not** make a political contribution to any Foreign Official, including any Foreign Official associated with the Chinese government, in the name of the Company, DITS, or any of its other subsidiaries or affiliates.



Political contribution is defined in the Company's Political Contributions and Activities Policy.

4. Consumer Credit Reports and Personal Information

In China, disclosing a person's credit report requires obtaining that person's prior informed approval. In addition, regulations in certain parts of China (such as Shanghai) relating to consumer protection and collection of personal credit information limit access and disclosure of certain private information of consumers and other individuals. No credit report or personal information may be disclosed without approval from the Legal Organization, and in accordance with the Privacy Policy.

5. Monitoring Communications

Communications through the Company or DITS' systems are property of the Company. By using the Company's or DITS' systems you understand and consent to access by authorized persons to your communications to the extent permitted by law.

6. Reporting Misconduct

You are required to contact Human Resources or call the toll-free Integrity Hotline number below to report concerns about any matters (including conduct, ethics, accounting and auditing matters). Concerns may be reported confidentially and anonymously. The telephone number for reporting matters within China is:

China, PRC – No. Region, Beijing & Vicinity

Direct Access Number: 108-888

Hotline Number: 866-714-1305

Discover.alertline.com

China, PRC – So. Region, Shanghai & Vicinity

Direct Access Number: 108-11

Hotline Number: 866-714-1305

Discover.alertline.com

7. Information Security and Acceptable Use Policy

To the maximum extent permitted by applicable law, any materials or information developed, accessed, copied or circulated while using any of the Company's or DITS' information assets shall be deemed to be the Company's or DITS' property and relate to the Company's or DITS' business.

The Company reserves the right to investigate any activity that may have violated Company policies, including the Company's Acceptable Use Policy or the Company's Information Security Policy. To the extent permitted under applicable law, DITS reserves the right to implement technical mechanisms to prevent policy violations, including electronic monitoring of systems such as email, Company phones, and Internet, as any use of such company systems will be deemed as related to the business of DITS and not for personal or private use.

8. Corporate Expense Policy

It is unacceptable for employees to give or receive cash, gift cards, or gift certificates, even of nominal value, to or from third parties, except in the specific circumstances specified below and when any preapprovals or other documentation required by the Company Anti-Bribery and Anti-Corruption Policy have been obtained.

There may be situations where local business courtesy requires the giving or receiving of small gifts from third parties. In those situations, employees are expected to use sound judgment and ensure that there is no impropriety or the appearance of impropriety. In particular, employees must ensure that, through the giving or receiving of such gifts, there is not even the appearance of any person being requested to provide benefits (in any form) in his or her official or business or similar capacities to another person or legal entity.

In all instances, no gift given or received should exceed RMB 300 (around US \$45) for a single event, and the aggregate value of the gifts given or received to or from a particular third party in any 12-month period should not exceed RMB 1,730 (around US \$250). Any gifts that exceed these limits must be preapproved in writing by a Discover Financial Services VP, in Compliance in accordance with the Company's Anti-Bribery and Anti-Corruption Policy and the Company's Corporate Expense Policy.

9. Anti-Bribery and Anti-Corruption Policy

Chinese anti-bribery and anti-corruption laws prohibit giving property to working personnel of the State (which DITS considers to include Foreign Officials as defined in the Company's Anti-Bribery and Anti-Corruption Policy) for the purpose of obtaining an improper benefit. **"Property" can mean anything of value and is not limited to money and physical property.** Additionally, providing anything of value to persons having a special relationship with a Foreign Official (including but not limited to family members, spouses and partners and other people who may share the benefit with the Foreign Official) could give rise to criminal or other liabilities. What may appear to be acceptable custom and practice in the context of giving gifts or other things of value may be illegal under Chinese and/or U.S. law and risks subjecting you and the Company to serious penalties. You must obtain preapproval from your Business Unit Vice President **and** a Company VP, Compliance or their respective delegate(s) before offering, promising, or providing (whether directly or indirectly) anything of value to a Foreign Official, including family members, spouses, partners and other people who may share the benefit with the Foreign Official. Anything of value includes, but is not limited to: meals, entertainment, travel, gifts, employment opportunities (e.g., internships, full-time jobs), and charitable contributions.

Chinese law also prohibits commercial bribery. You are prohibited from offering, promising, making, or receiving any payment (whether in the form of commissions, fees, reimbursement, discounts, kick-backs, or otherwise); giving or receiving gifts; accepting or providing entertainment or travel or anything of value intended or designed to obtain an improper benefit (including but not limited to an unfair business advantage) or to cause an agent of a third party to act in a manner that is inconsistent with the third party's interests.

10. Enterprise Software and Management Usage

The policy of DITS is to manage its standard software and proprietary software assets to derive maximum benefit for itself and its staff. The policy requires that DITS and its employees acquire, reproduce, distribute, transmit and use software in compliance with international treaty obligations, U.S. federal and state laws, including federal copyright laws and the applicable laws of China including without limitation PRC Copyright Law, the PRC Copyright Law Implementing Rules and the Rules on the Protection of Computer Software.

According to Chinese law, persons engaging in any of the following activities without the permission of the software owner could be subject to civil, administrative or criminal penalties:

- i. Publicly releasing, leasing or disseminating software through information networks;
- ii. Intentionally avoiding or breaching the protective measures of the software taken by the software owner;
- iii. Intentionally deleting or changing the electronic information of software authentication controls; or
- iv. Transferring or licensing others to use the copyright of a software owner.

DITS does not permit any of the above illegal activities. DITS will take corrective and disciplinary action, up to and including termination, in the event such activities occur at DITS or through the use of its facilities (including but not limited to any DITS end user device).

11. Discover Financial Services Anti-Money Laundering, Counter-Terrorist Financing, and Sanctions Compliance Policy

The PRC Anti-Money Laundering Law requires financial institutions, as well as certain regulated non-financial institutions, to take affirmative steps to prevent and detect money laundering and report suspicious activity. Discover Financial Services Anti-Money Laundering, Counter-Terrorist Financing, and Sanctions Compliance Policy explains how the Company and all of its employees are expected to conduct themselves in a manner to prevent its products, services, and facilities from being used for an illegitimate purpose which would violate applicable money laundering laws and regulations.

12. Social Media Policy

Only designated employees may speak on behalf of the Company on social media. In any event, no employee shall disseminate information online that is in breach of the PRC laws. Such information includes, without limitation, those that would:

- i. Violate the general principles of the PRC Constitution;
- ii. Damage national security, divulge state secrets, undermine China's political stability, breach the integrity of the state;
- iii. Damage the reputation and interests of the state;
- iv. Incite racial hatred, racial discrimination or breach the integrity of the state;
- v. Breach the state's principles on religion or promote cults and feudalistic

- superstitious beliefs;
- vi. Be libelous or slanderous, interfere with social order, breach social stability;
- vii. Spread lewd, pornographic, gambling-promoting, violent, homicidal, terror-promoting, crime-promoting materials; and
- viii. Insult or defame others or violate the legal rights of others.

13. Drug Free Workplace Policy- Alcohol and Substance Abuse

To the extent permitted by the law, the Company may require DITS employees to undergo alcohol and/or drug testing. Refusal to undergo the alcohol and/or drug testing will constitute a serious violation of the internal rules and policies of DITS and can subject the employee to corrective actions and/or other appropriate action, up to and including termination of employment. DITS will keep the testing results confidential except that DITS is responsible to report the testing result or any illegal actions of the employees to relevant governmental authorities where DITS reasonably may suspect that such actions constitute a criminal offense under PRC Criminal Laws.

14. Company Mobile Devices

All Company-issued mobile device users are required to use the product safely and to obey all applicable DITS policies and applicable laws and regulations regarding the use of wireless devices in China, including while operating a vehicle. For additional guidance, see the Company's Corporate Expense Policy and the Company's Acceptable Use Policy.

15. Proprietary Rights Supplement

The Proprietary Rights Supplement to the Code is not applicable to DITS officers and employees. Protection of DITS' intellectual property rights is addressed in Appendix 3 (Assignment of Inventions Agreement) to the employment contract between DITS and its employees.

16. Failure to comply with the Code, the Shanghai Supplement or any of the policies referenced therein

Failure to comply with the Code, the Shanghai Supplement or any of the policies referenced therein could constitute a serious violation of DITS' internal rules and policies and may subject you to corrective action, up to and including termination of your employment.