



APPROVED
by the Board of
the Joint Stock Company
„Joint Stock Commercial Bank „Baltikums”
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Corporate Governance of the Bank's Activities

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Basic Principles of Corporate Governance of the Joint Stock Company „Joint Stock Commercial Bank „Baltikums”

1. General Provisions.

1.1. The Basic Principles of Corporate Governance describe the current governance system of the Joint Stock Company „Joint Stock Commercial Bank „Baltikums” (hereinafter referred to as – the Bank) and the system of governance tasks to be performed by the Bank’s management bodies and executives.

The present document is meant to ensure better understanding of the Bank’s position and emphasises the intention of the Bank’s shareholders and management to instil confidence in its partners and customers in the Bank’s long-term potential and well thought-out efforts aimed at harmonisation of the Bank’s activities with public interests and achievement of the best results.

1.2. The Bank’s governance is based on the following principles:

- good management,
- co-operation between the Council and the Board,
- supervision,
- transparency,
- «know your customer»,
- protection of information,
- «Chinese Wall»,
- high quality of services and customer focus,
- personnel development;
- «know the Banker».

2. Good Management

2.1. The principle of good management means distribution of functions and duties among shareholders, the Bank’s management bodies, structural units and executives, determining the degree of their responsibility, regulation of tasks to be fulfilled by them, and co-ordination of their actions for achievement of the best results.

2.2. The Bank’s governing bodies

According to the law of Latvia and the Articles of Association, the Bank’s governing bodies are the Meeting of Shareholders, the Council and the Board.

2.2.1. THE MEETING OF SHAREHOLDERS.

The Meeting of Shareholders is the highest governing body of the Bank. Regular and extraordinary Meetings of Shareholders are convened.

The Meeting of Shareholders is entitled:

- to consider statements of the Council and the Board of the Bank, and to approve the annual report;
- to release members of the Board from responsibility or to initiate bringing the same to responsibility for the previous fiscal year,

- to distribute profit of the previous fiscal year,
- to approve the budget of the Bank for the current year,
- to approve the auditor of the Bank for the current accounting year,
- to elect and to dismiss from their posts members of the Council,
- to approve the nominee of the Internal Audit Service Manager and to dismiss him from his post, to decide on bringing in or termination of actions or claims against the same,
- to decide issues on amendments to the Articles of Association of the Bank, increase or reduction of the Fixed Capital, liquidation of the Bank, termination of its activities, resuming the same or reorganization,
- to decide on issue and conversion of securities of the Bank,
- to determine remuneration of members of the Council and the Internal Audit Service,
- to decide on change of the legal form of the Bank to public joint stock company.

2.2.2. THE COUNCIL.

The Meeting of Shareholders elects the Council representing interests of Shareholders between Meetings and supervising activities of the Board within limits stated in the Articles of Association. Both Shareholders and other persons may be elected to the Council. The Council of the Bank shall elect the Chairman of the Council and his Deputy from the members of the Council.

Members of the Council of the Bank at the same time may not be members of the Board and the Internal Audit Service of the Bank.

The procurator, the commercial attorney, a member of the board of the Bank's dependent company or a person entitled to represent the Bank's dependent company may not be members of the Council. The Council's functions are stated in Regulations approved by the Meeting of Shareholders.

2.2.3. THE BOARD.

2.2.3.1. The Board governs the Bank's activities. The Board settles all issues related to the Bank's activities, except those being within the competence of the Meeting of Shareholders and the Council. The Board is in charge of and manages all matters of the Bank, is responsible for business activities of the Bank, as well as for its accounting conforming to the law. The Board represents the Bank, administers property of the Bank and disposes its capital according to the law, the Articles of Association, and decisions of the Meeting of Shareholders.

2.2.3.2. The Board is elected by the Council. Both Shareholders of the Bank and other persons may be elected members of the Board. Members of the Council, officers of the Internal Audit Service of the Bank, a person deprived of the right of respective activities or all types of commercial activities by a court award, a member of the council of the concern's main enterprise may not be members of the Board.

2.2.3.3. The Board consists of the Chairman of the Board (the President), his First Deputy (First Vice President), Deputies (Vice Presidents) and members of the Board elected by the Council.

The Board's functions are set forth in Regulations on the Board approved by the Council.

2.2.3.4. The Chairman of the Board (the President) performs everyday management of the Bank, ensuring fulfilment of decisions of Meetings of Shareholders, the Council and the Board of the Bank.

2.2.3.5. Deputy Chairmen of the Board and members of the Board are in charge of specific lines of the Bank's activities and organise and supervise the work of structural units that are subordinated to them according to the Bank's structure approved by the Council.

2.2.3.6. In order to foster the spirit of co-operation in the Bank's work, leading specialists of the Bank are involved in making of decisions on the major issues of the Bank's activities (customer service, assets management, lending, risk management, establishment of the internal control system), being elected to respective joint bodies or participating on them in advisory status. The following joint bodies are subordinated directly to the Board:

- the Assets and Liabilities Committee,
- the Credit Committee,
- the Committee of Customer Servicing;
- the Committee for Prevention of Laundering of Proceeds Derived from Criminal Activities;
- the Group for Development and Improvement of the Internal Control System.

3. Co-operation between the Council and the Board

3.1. The Bank's Council and Board co-operate with each other closely. The Council approves the Bank's development strategy, considers long-term and annual plans of the Bank's work and the Bank's policy in different spheres of its activities on a regular basis, considers and approves the Bank's budget and monitors its implementation, examines the Bank's annual report and discusses the Board's proposal for profit distribution.

The Board informs the Council on financial results of the Bank's activities, implementation of its work plans, and risk management on a regular basis. The Board submits a written report on its activities to the Council on a quarterly basis.

The Board informs the Council about the progress of large projects and large transactions.

The Council informs the Board about the concern's development strategy.

4. Supervision

4.1. The system of supervision of the Bank's activities

4.1.1. The Bank's activities are supervised strictly both from the outside and inside. The basic principles of supervision of the Bank's activities are as follows: continuity, consistency and objectivity. Independence from the Bank's executive management bodies is an important principle of supervision as well.

4.1.2. External supervision of the Bank's activities is implemented by respective state institutions: the Finance and Capital Market Commission, the Bank of Latvia, the State Revenues Service, etc. The Finance and Capital Market Commission examines the Bank's quarterly and annual financial statements and consolidated statements.

4.1.3. The auditor approved by the Meeting of Shareholders and accepted by the Finance and Capital Market Commission audits the Bank's annual report.

4.1.4. The Internal Audit Service implements internal audit.

The Internal Audit Service is an independent structural unit of the Bank engaged in continuous assessment of management risk and regular improvement of effectiveness of supervision and general management processes of the Bank. The Head of the Internal Audit Service is elected by the Meeting of Shareholders. The Internal Audit Service is subordinated to the Council of the Bank. The Council approves the strategic and annual plans of the Service's work, the Regulations on the Service and other standard and methodical documents regulating activities of the Service.

4.2. In order for the Bank to fulfil its task with appropriate quality, the system of internal supervision is established and improved continuously at the Bank. The Bank has organised such system of internal supervision for the purpose of safeguarding the Bank's assets against losses and their unauthorised administration and use. Risks of the Bank's activities are assessed and supervised continuously. Transactions are executed according to approved procedures and recorded correctly. The Bank works reasonably, understandably and effectively, complying with all laws and requirements of other standard acts.

4.2.1. The system of internal control covers:

- annual and long-term planning of the Bank's activities;
- the Bank's organisational structure that corresponds to the size and tasks of the Bank;
- identification, analysis and management of all risks arising from the Bank's operations;
- appropriate accounting and information control system;
- safeguarding of the Bank's assets and information systems;
- a set of standard and methodical documents regulating work processes, as well as the process of decision-making and control of their implementation;
- improvement of the internal control system, updating of the system to match the changing operating environment and evaluation of the system performance.

4.2.2. Activities of the Bank's joint bodies (the Credit Committee, the Assets and Liabilities Committee, etc.) and all other structural units of the Bank are regulated by respective regulations.

The Bank's employees comply with their instructions in fulfilment of their duties.

All work processes in the Bank are regulated by respective procedures, instructions, and regulations.

Execution of all decisions passed by joint bodies (the Council, the Board, and the Committees) is regulated by "Regulations on document execution control".

"The Regulations for Prevention of Laundering of Proceeds Derived from Criminal Activities" and other internal standard documents of the Bank regulate organisation of work for prevention of laundering of proceeds derived from criminal activities.

4.2.3. In order to organise and co-ordinate the system of internal control both in the Bank as a whole, and in each structural unit, a Group for development and improvement of the system of internal control has been established. The Group considers, discusses and approves standard and methodical documents setting internal control systems and regulating all work processes both of the Bank, and all its structural units, recommending measures for their practical implementation, analysing results of such implementation of standard and methodical documents, analysing expedience and sufficiency of internal control systems of both specific structural units, and the Bank as a whole, monitoring compliance of standard and methodical documents with the requirements of international and Latvian law, as well as the requirements of supervision bodies.

5. Transparency

5.1. The Bank complies with the principle of transparency in its activities. By transparency the Bank means:

- availability of information on Shareholders, subsidiaries and its partners,
- availability of information on results of its activities,

- regulation of work processes implemented in the Bank by different standard documents, which enables internal and external supervision and control bodies to supervise the Bank's activities.

5.1.1. The Joint Stock Company „Baltikums Bankas Grupa”, a corporate person – resident of Latvia, registered with the Commercial Register of Latvia, is a Shareholder of the Bank. The Bank's subsidiaries are residents of Latvia registered with the Commercial Register of Latvia. The Bank as well as its Shareholders are members of the „Baltikums” Concern. Information on its Shareholders, partners, the Bank itself, its subsidiaries and related companies is available on the Bank's web page and is updated on a regular basis.

5.1.2. The Bank publishes information on results of its operations in the Latvian press every month. Both the Bank's annual report and its consolidated financial statements are published annually.

5.1.3. Information stated in paragraphs 5.1.1 and 5.1.2 is also available in the Bank's customer servicing room and on the Bank's web page.

5.1.4. All work processes implemented in the Bank are regulated strictly by internal methodical documents (rules, regulations, procedures) being a part of the Bank's internal control system, and are available to internal and external supervision and control bodies. The Bank works on improvement of the documents continuously.

6. «Know Your Customer»

6.1. The principle «Know your customer» is an important principle observed by the Bank in its activities. It is necessary to comply with such principle in modern conditions for prevention of laundering of proceeds derived from criminal activities. In evaluation of the Customer the Bank takes into account the Customer's reputation, the country the Customer's activities are connected with, the public nature and transparency of the Customer's activities, the main lines of the Customer's activities and other information.

6.2. The Bank has developed and implemented a system of identification of customers and supervision over their transactions executed in the Bank, develops and improves its internal standard documents on identification of suspicious and unusual customer transactions, and on procedures of their reporting, sets procedures of determining “high risk” Customers, and ensures continuous supervision over “high risk” Customers.

6.3. For prevention of risk to the Bank's reputation, the Bank co-operates actively with respective authorities of Latvia that are in charge of prevention of laundering of proceeds derived from criminal activities.

6.4. The Bank may terminate its co-operation with a Customer based on its experience of co-operation with the Customer, information obtained from external sources or in other cases stated in „The General Operation Terms”, on its own initiative at any time.

7. Protection of information

7.1. Under current conditions modern banks have many peculiarities in terms of protection of their information: complex organisation structure, multiaspect functioning, high level of technical equipment, growing volume of paper-free technologies of information processing, extended concept of confidentiality. In order to protect information on its customers and their transactions the Bank has established a system of protection of information covering:

- Strict compliance with the law and customer rights;
- Complex and systemic approach towards treatment of issues of protection of information, implementation of security measures based on co-ordinated efforts of all structural units, necessary linking with external organisations;

- Unified treatment of key issues of activities and of protection of information;
- Establishing the best conditions for provision of the high level of work in protection of confidential information. Such conditions include: establishing structural units in charge of security, provision of appropriate premises, equipment and guarding, personnel training;
- Implementation of measures for protection of information, regular supervision over effectiveness of the measures taken;
- Personal responsibility of managers of all levels and workers involved in work with confidential documents and information;
- Organisation of unified procedures of access to confidential information only for persons who require confidential data for their work;
- Continuous improvement of forms, methods and means of protection of information, taking into account changes within the Bank and around it.

8.«Chinese Wall»

8.1. Establishing a communication barrier between bank specialists working in investments and traders becomes especially important. The barrier is implemented in order to prevent leakage of insider information that bank specialists working in investments may have. The Bank separates functions of specialists working in investments and traders among different structural units. Such structural units operate independently. Their mutual information exchange is strictly supervised.

9. High Quality of Services and Customer Focus

9.1. All activities of the Bank are aimed at rendering a full range of high-quality bank services to its customers. The Bank improves continuously the range of its products and services offered to customers, as well as improves the quality of its customer service.

9.2. The Committee of Customer Servicing has been formed and operates in the Bank. A system of recording customers' propositions has been created, as well as the regulations on handling customer complaints and claims have been developed in the Bank. The Bank is committed to satisfying customer requirements and providing of modern service continuously. A reliable modern electronic system of remote customer servicing has been developed by the Bank, enabling its customers to execute transactions without having to come to the Bank.

9.3. High quality of customer service is considered to be a cornerstone of successful co-operation between the Bank and its customers, and competences of the employees in this area cover the attitude towards the customer, knowledge and compliance with requirements of methodical documents, and co-operation with other units of the Bank in order to render high quality service to the customers.

9.4. All activities of the Bank are customer-oriented. The Bank develops the range of its services and products, works out new lines of activities, develops and improves technologies, looks for the best ways for solving the tasks set by its customers continuously.

9.5. The Bank appreciates the confidence shown by its customers and is committed to justifying it by honest work of the entire team of the Bank and serious approach to business.

10. Personnel Development

10.1. The Bank's personnel policy is aimed at the Bank's development and achievement of the best performance indicators. The Bank considers professional development of its personnel as one of the major factors contributing to the Bank's general development and achievement of financial success.

10.2. Professional competence is one of the most important duties of each employee of the Bank; therefore the Bank assigns funds to its personnel development in order to improve the Bank's competitiveness.

10.3. Personnel development is a joint responsibility of both the employee and the Bank. The Bank promotes achievement of high competence, activity and loyalty of the employees to the Bank's customers. Employees' attestation is implemented in order to improve the quality of customer service.

11. Final Provisions

11.1. The system of mutual relations between the Bank's employees and customers and the public is regulated by its Code of Ethics.

11.2. The Bank is responsible for implementation of the Basic Principles of Corporate Governance and the Code of Ethics, and for compliance with the standards stated therein.

Chairman of the Council

?.Peshkov

Chairman of the Board

?.Reims

The Code of Ethics

1.1. The Code of Ethics of the Joint Stock Company „Joint Stock Commercial Bank „Baltikums” (hereinafter referred to as – the Bank) sets basic principles of ethical conduct of its personnel and the key values of the Bank’s corporate identity.

1.2. The Bank assumes that development and implementation of the Code of Ethics:

- contributes to development of corporate culture;
- promotes improvement of the Bank’s competitiveness;
- helps to maintain the Bank’s reputation;
- makes it easier for the personnel to make everyday decisions in difficult situations.

1.3. At the core of the Code of Ethics are the Bank’s mission, strategy, operating goals as well as specific values underlying the ethics of the Bank’s business:

- lawfulness and transparency,
- the quality of activities,
- customer orientation,
- responsibility,
- honesty and consistency,
- the principle of proportion,
- good banking practice.

1.4. In fulfilling their duties the employees comply with:

- the laws of the Republic of Latvia;
- the laws of other countries as far as required to execute transactions with residents of such countries;
- standard acts of the Bank of Latvia and the Finance and Capital Market Commission;
- the Bank’s Articles of Association and other internal standard acts;
- the present Code.

1.5. The Code of Ethics is binding upon all employees and executives of the Bank. Failure to comply with ethical norms may cause disciplinary punishment, dismissal and reimbursement for material losses sustained.

1.6. The Board of the Bank supervises compliance with the Code of Ethics.

2. The Bank’s Internal Communication

2.1. The quality of internal communication of employees is a value having direct impact on performance of the Bank and logical and effective progress of the work processes. Therefore each employee is expected to identify himself as a participant of the communication process, whose specific conduct may have either a positive or negative impact on the communication process.

2.2. In the process of internal communication each employee has a right:

- to feel comfortable and not to fear the consequences of expressing his opinion,
- to make mistakes and to expect that his mistakes will not be misused,

- to receive appropriate information required to fulfil his work responsibilities and make decisions within his competence,
- to be evaluated based on his professional performance and business abilities,
- to have an open and honest dialogue with his colleagues, regardless of their position,
- to expect privacy of his personal life and personal views.

2.3. In the process of internal communication each employee has:

- to observe and respect the rights of his colleagues,
- to treat his colleagues with benevolence, to hear them out and help them within his competence,
- when fulfilling his responsibilities, to use his working hours and those of his colleagues effectively,
- to undertake responsibility for his actions and to demand the same from his colleagues,
- to remember that objectivity and openness are the cornerstones of effective communication, and prejudice leads nowhere at all times.

2.4. In the process of internal communication each employee is expected to:

- participate - actively,
- co-operate - purposefully,
- criticize - constructively,
- support - voluntarily.

- 🔔 Communication is impossible without mutual confidence, hence try to be the first to show it;
- 🔔 Seriousness is a trait that first of all is confirmed by man's actions and not his mimics, therefore smile to your colleagues more often – everybody will benefit from this,
- 🔔 A conflict needs at least two people – think again before you become the other party;
- 🔔 When encountering mistakes of your colleagues in your everyday work, let us be constructive and correct them, rather than accuse people.

3. Confidentiality of Information

3.1. When hiring an employee, the Bank entrusts him with access to confidential information and expects the employee to use, process, keep such information with care and to comply with the Bank's internal standard documents related to information classification and rules of its handling.

3.2. Employees are to maintain confidentiality with regard to all confidential information available to them:

- partner and customer information – their accounts, transactions, business activities, financial condition, etc., such information may only be disclosed in cases when the customer (partner) has given his/its written permission or if it is required by legal norms;
- information on the Bank's assets, financial data, intellectual property, including the Bank products, internal documentation, information

systems, etc.; such information, except publicly accessible, may only be disclosed with the employer's written permission.

3.3. The employee is responsible for every action or omission of his resulting in disclosure of confidential information to third persons, including his family members, friends, or the Bank's employees who do not need it for fulfilment of their work responsibilities.

- 🔔 In cases when law enforcement bodies require disclosure of confidential information, contact the Law Department to find out about your correct course of action;
- 🔔 Avoid discussing information related to the Bank's business with your family, friends, acquaintances at all times, even in cases when an acquaintance of yours is the Bank's customer; remember that he is entitled to disclose information of his transactions with the Bank, whereas you are not entitled to do so. Of course, publicly available information is an exception;
- 🔔 Publicly available information is that the Bank allows third persons to obtain. To understand the concept please study the Bank's home page, information materials supplied to its customers by mass media and public registers available to you; contact your direct manager in case of doubt.
- 🔔 Supplying the Bank with his information, the customer trusts us with part of his business, rather than just figures and copies of documents, therefore remember of sensitivity of such information and consequences of its disclosure at all times;
- 🔔 You are to fulfil your work responsibilities at your work place, therefore you are not to take out documents from the Bank's premises after your working hours – tomorrow is another day;
- 🔔 In case you use materials about the Bank in materials of your practical training work, graduation dissertation or other research, you are to show them to your direct manager before submitting to your educational establishment – this will enable you to avoid disclosure of the Bank's confidential information;
- 🔔 Be careful in your talks over the telephone or at public places – a cafe, cinema or public transport are not fit for business discussions;
- 🔔 Confidential information is the Bank's property, hence should you terminate labour relations with the Bank for any reason, return all documents and copies at your disposal to the Bank.

4. Conflict of Interest

4.1. A conflict of interest is a situation when an employee is to participate in decision-making or perform other actions as required by his position that have or may have an impact on personal or material interests of the employee, his relative or business partner, or may affect the Bank's interests.

4.2. The employee is responsible for the failure to avoid a conflict of interest.

4.3. The employee is involved in a conflict of interest as defined by the present Code, if he makes decisions about transactions with:

- enterprises with whom the employee or his relatives have any contractual relations;

- an enterprise where the employee or his relative has considerable interest or is an executive entitled to decision-making;
- enterprises from co-operation with which the Bank's employee or his relatives expect any kind of profit or benefit;
- persons being the employee's relatives or family members.

4.4. In a situation of conflict of the Bank's interests and the employee's personal interests, the employee is expected to put the interests of the Bank ahead of his own interests.

4.5. The Bank's employees are not allowed to accept from customers or partners money gifts or other gifts (in any form) with the value exceeding 25 LVL, or whose acceptance may cause a conflict of interest or the demand for reciprocal service.

- 🔔 Your duty in avoiding a conflict of interest primarily means notification of your employer about the possibility of such conflict.
- 🔔 An employee, regardless of his position, may not influence his colleagues directly or indirectly, in order to promote conclusion of a transaction conforming to his personal interests;
- 🔔 If you learn that your colleague is in a conflict of interest you have to inform your employer about this fact;
- 🔔 In case of doubts concerning the value of gifts offered contact your direct manager to find out about your correct course of action;
- 🔔 When a customer or a partner gives you a gift, you are to assess the situation first of all and to decide (even should the value of the gift be less than 25 LVL) at all times whether such gift has been given for the purpose of receiving a reciprocal service or influencing the Bank's activities in any other way; unless you consult your manager you will bear personal responsibility for negative consequences of accepting any gift causing the situation of a conflict of interest.

5. Relationships with Customers and Business Partners

5.1. Employees' actions that affect customers and business partners should increase confidence of the customers and partners in the Bank's stability, consistency, honesty and its interest in co-operation.

5.2. In relations with its customers the Bank respects their requirements and interests. When establishing contractual relations, the Bank strives to provide a client with exactly such service as the customer requires.

5.3. The Bank supplies its customers with full information on conditions of transactions – services, types of settlements, implementation of agreements and responsibility for default under such agreements, in order to enable the customers to evaluate appropriateness of the service at all times.

5.4. Employees are to bear in mind that the Bank's recommendations may have a considerable impact on the customer's decisions and his financial condition, hence employees are to think carefully about the expedience and necessity of such recommendations.

5.5. Employees are to treat all customers and partners equally, regardless of their financial condition, profit, the Bank's services used, the volume of the Bank's transactions or their personal attitude towards the customer.

5.6. An employee when he participates in decision-making that concerns issues related to the interests of the customer or the partner (making documents, project

management, etc.), has to provide the Bank with objective, complete and reliable information on the customer or partner.

- 🔔 Conflict situations with customers may happen, but they are to be avoided, therefore your responsibility is to settle them as a matter of business, correctly and efficiently. In case you see that it is impossible, send the customer to your direct manager;
- 🔔 Please remember that you may only make decisions within your competence and are not entitled to give recommendations, explanations or promises to the customer, unless the same ensue from your official responsibilities; in case the customer's questions exceed your competence, send him to the respective specialist;
- 🔔 Be careful in disclosing your opinion to customers, because it may be perceived as the Bank's recommendation for the customer's course of action.
- 🔔 An employee must have equal attitude towards all customers – this means that special servicing is expressed in the rates policy and peculiarities of formation of the Bank's set of services, rather than the level of benevolent attitude of its employees.

6. The Bank's External Activities

6.1. The Bank is part of society as an organisational entity impacting social environment by its activities, therefore it is aware of its responsibility for its actions to society.

6.2. In business management the Bank complies with beneficial principles of environmental impact – fulfils all accepted requirements for environmental protection, as well as attempts to use environmental resources as effectively and carefully as possible.

6.3. The Bank and its employees comply with and respect the state legislation and are loyal to the Republic of Latvia and its institutions; we co-operate with governmental institutions and supply the same with necessary information according to procedures stated by the law.

6.4. The Bank recognizes the necessity of sound competition and treats its competitors and their activities fairly; we do not strive to obtain confidential information of our competitors and to use it for our benefit.

6.5. Representation

6.5.1. Employees are to be aware of the impact of their conduct on the Bank's general image and reputation, and are to comply with generally accepted moral norms, as well as principles of conduct described in the present Code of Ethics, both during their working hours and free time.

6.5.2. The employee should remember at all times that he represents the Bank in all activities when dealing with outsiders of the Bank, in fulfilling his official responsibilities – in customer servicing, contacting governmental institutions, public organisations, etc. in writing, over the telephone or in person. He must see to it that his actions and information supplied are correct both in terms of form and contents.

6.6. Political and Public Activities

6.6.1. The Bank is a politically neutral organisation, recognising the existence of different political views and freedom of their choice.

6.6.2. The Bank does not support open active political activities of its employees – nomination for elected posts in governmental institutions or political organisations.

The employee is allowed to be nominated for elections to governmental bodies, municipalities or political organisations but has to notify the employer in writing about the fact in advance.

6.6.3. Involvement of an employee in political/public activities may not interfere with fulfilment of his official responsibilities; an employee may not use the Bank's name or funds in political and public activities, or use the position held thereby to influence political views of other employees.

6.6.4. Involvement of the employees in public activities with aims conflicting with the Bank's interests and the present Code is not desirable.

6.7. Public Relations

6.7.1. The Bank's public relations are aimed at showing itself as a competent, professional and reliable partner.

6.7.2. The Bank settles all issues, including those that may be submitted to public discussion, openly and correctly.

6.7.3. The Bank informs society about results of its activities and major events both on the Bank's home page, and in mass media on a regular basis.

6.7.4. When co-operating with mass media, employees are obliged to comply with the Bank's internal standard documents and established procedures of information disclosure.

6.7.5. The Bank sponsors events in the field of art and sports.

- 🔔 Remember that information supplied outside the Bank is to be verified twice – people will judge about the Bank by such information, it impacts the Bank's reputation and is irrevocable in most cases;
- 🔔 You represent the Bank in everyday life more often than you are aware of – information on your employer is stated in your medical card with your dentist, the protocol of violation of traffic rules, it is often available to your tourist operator – please remember that you are identified as the Bank's employee in many common situations too.
- 🔔 Avoid situations where your participation in a public or political organisation is associated with the Bank's name.
- 🔔 The Bank does not support involvement of its employees with public or political organisations adhering to radical or extreme views.

7. Final Provisions

7.1. Banking business is based on trust and we believe that ethical conduct in any situation will improve the reputation of the Bank and increase the confidence of customers, investors and society in the Bank and therefore recognise that this is the right way for building of our operations.

7.2. We are aware that our activities may and do impact financial situation of many people, and therefore implementation of the principles of good banking practice and compliance with ethical norms are important preconditions for successful operation.

Chairman of the Council

?.Peshkov

Chairman of the Board

?.Reims

