SB Restricted

STOPANSKA BANKA AD - SKOPJE
member of NBG group
On your side

CODE OF ETHICS

STOPANSKA BANKA AD – SKOPJE

October 2023

Ethics: The Guiding Principle at Stopanska Banka,

Dear colleagues, clients, stakeholders,

Throughout its long history, the legacy and standing of Stopanska Banka AD – Skopje is built on a strong ethical foundation, guiding our way through the evolving times of finance and society.

To that end, the updated Code of Ethics reflects the Bank's unyielding commitment to uphold the principles that define Stopanska Banka, that are fundamental to the corporate culture of all of us, aligned with the legal and regulatory requirements but also with the best practices and the high expectations for our Bank by the whole society.

In a rapidly changing world, especially in finance, law, technology, and human relations, it is of utmost importance that each and every one of us acts in a way that reflects the Bank's values and principles. In this relation, an initiative was undertaken by the responsible team in the Bank to fine-tune and re-confirm the Bank's mission and values, ensuring alignment with the NBG Group standards, emerging regulatory requirements and customer needs and expectations.

As you are all aware of, the present-day banking is a complex environment of challenges, from heightened regulatory scrutiny to an increasing expectation for transparency, ethical conduct, active cooperation with all stakeholders, focus on digital transformation, etc. Our Code of Ethics acknowledges these dynamics and should contribute towards upholding the Bank's esteemed reputation amidst these challenges.

In essence, the Bank's mission stays the same: to be the bank of first choice of the people and companies, while continuing to provide value for the shareholders, employees, and the wider society.

The Code of Ethics, while thorough and important in anchoring the Bank's mission, is not exhaustive. Cultivating ethical behavior is an every-day collective effort at all levels throughout the Bank. Understanding and complying with this Code is a personal duty to all of the Bank's employees. We encourage our employees and everyone that has relations with the Bank to voice any concern or seek clarification regarding the Code and its procedures. In moments of doubt, reporting or seeking counsel in line with the Bank's procedures is encouraged.

Adhering to the Code's principles and promoting core values such as integrity, honesty, transparency, credibility, open communication and accountability is key to fortifying the Bank's systemic position in the economy, enriching the relationships with all the stakeholders, and fostering a collaborative, merit-based work environment. Let us continue to set the bar high, championing the values that makes Stopanska Banka a bank of trust and integrity that is recognized all these years and let's continue to forge a legacy steeped in ethical leadership.

Respectfully,

Diomidis Nikoletopoulos, *CEO & Chairman of the Board of Directors*

Table of Contents

1. INTRODUCTION

1.1. About the Code 03

1.2. Whom it concerns? 03

1.3. Why we need it? 03

1.4. Publication of the Code 03

1.5. Revision of the Code 04

2. KEY VALUES OF ETHICAL CONDUCT

2.1. Our shared values 05

2.2. Our shared responsibilities 06

2.2.1. In the workplace 06

2.2.2. Towards customers 14

2.2.3. Towards stakeholders and third parties 20

2.2.4. Towards the community and the environment 23

2.2.5. Confidentiality and Personal Data 24

3. KNOWING YOUR RESPONSIBILITIES

3.1. Addressing concerns 31

3.2. Implementation of the code 31

ANNEXES

Annex I - What is expected with regard to the Code

Annex II – SB Policies

Annex III - Indicative Q&As on the Implementation of the Code

Annex IV - Decision Making Tool

Annex V - Code of Ethics for Financial Professionals of Stopanska banka AD-Skopje

1. INTRODUCTION

1.1. About the Code

Stopanska Banka AD – Skopje (hereinafter: "SB", "Stopanska Banka" and/or "Bank") is committed to abiding by and promoting principles and ethical values at all levels and activities performed by its employees.

Established as the first bank in the country on 29.12.1944, Stopanska Banka laid the banking foundations and has played a pivotal role in the economic, financial and social development of Republic of North Macedonia. Today, Stopanska Banka continuous to have significant role as systematically important financial institution and pillar of the economic system in the country.

In this context, taking into consideration the role and importance of the Bank, but also the expectations by all its stakeholders, the Supervisory Board adopts this Code of Ethics (hereinafter: "Code") which defines standards, the ethical norms and code of conduct, including the acceptable and unacceptable behavior of the employees as required by the Central Bank Decision on good corporate governance rules for banks and the principles of the Central Bank Circular for protection of the financial services consumers in the banking sector.

1.2. Whom it concerns?

The present Code applies to all members of the bodies of SB, its Senior management* and its employees, under any kind of employment relationship, as well as any third party collaborating with the Bank.

Considering the third parties, they shall apply ethical standards as prescribed in the agreements of cooperation, either within the context of providing services or performing a project (including associates, vendors, intermediaries, agents and any other entity cooperating with SB within the context of outsourcing or other kinds of agreements).

**Senior Management includes members of the Supervisory Board, Board of Directors, senior managers, division and deputy division managers and managers for specific issues.*

1.3. Why we need it?

The Code serves as a valuable point of reference, contributing substantially to the protection of the interests of employees, customers and shareholders on the basis of clearly stated governance structures, while ensuring, at the same time, that the reliability, solvency and reputation of the Bank are reinforced.

It also provides the necessary guidelines for taking the right decisions in compliance with the corporate governance rules and the legal and regulatory framework in Republic of North Macedonia.

It is essential that the requirements of the Code are understood and that the principles and values set out therein are properly observed and implemented.

The Compliance Division may be addressed with any inquiries regarding the content of the Code. Depending on the matter, the Compliance Division consults with the Bank Secretary, Legal Division Manager and/or Human Resources Division Manager.

1.4. Publication of the Code

The Code is available on SB's website (www.stb.com.mk) in Macedonian and English, and upon request in written in any Bank's unit.

The Bank thereby seeks to enhance transparency, as every interested party has the opportunity to access and assess the core values, rules and principles that govern the operation of the Bank.

It is noted that in case the provisions of the Code are stricter compared with those of the applicable legal and regulatory framework, the provisions of the Code shall apply.

1.5. Revision of the Code

The Board of Directors reviews the Code pursuant to proposal by the Compliance Division/Bank Secretary, whenever required, or at least every two years in order to ensure its appropriateness vis-à-vis the principles adopted and the rules implemented by the Bank, as well as the applicable legal and regulatory framework and international best practices.

A relevant proposal is forwarded to the Supervisory Board of SB for approval, following prior approval by the Audit Committee.

In the event that the Code is modified, the Bank provides for the prompt disclosure of the revised Code to the staff and the public.

2. KEY VALUES OF ETHICAL CONDUCT

The Code sets out the key values and principles that the Bank abides by, as well as areas where standards of ethical conduct must be **adhered.** In this context the following 4 key values are placed in the center of the Bank core value system:

- **HUMAN**
  - ✓ Demonstrate genuine interest and respect towards others;
  - ✓ Promote team-work, and mutual support consistently
  - ✓ Strive for work – life balance

- **TRUSTWORTHINESS**
  - ✓ Uphold the highest professional and ethical standards of conduct
  - ✓ Take decisions with integrity, and prudently manage risk
  - ✓ Foster long-term relationships based on trust
  - ✓ Promote fair and equitable relations with the customers

- **RESPONSIVENESS**
  - ✓ Take ownership and act in a timely and decisive way
  - ✓ Continuous focus on customer – centered solutions
  - ✓ Focus on timely performance by mobilizing others to act quickly

- **GROWTH CATALYSTS**
  - ✓ Follow ambitions and respond decisively to today's challenges
  - ✓ Facilitate sustainable development through new ideas and innovative solutions
  - ✓ Talent development with fairness and transparency

In this context, the Bank expresses its commitment to observing and promoting values such as integrity, accountability, honesty, transparency, trust, equality and high ethical standards in all operations. The Bank acts with equity and fairness towards its clients in all phases of providing financial services.

The Bank culture should be assessed against the above key values.

2.2. Our Shared Responsibilities

Being highly aware of our responsibilities in a continually changing society is key to our role in the development of operating in an ethical way and abiding by values and principles of the highest caliber.

The Bank places great emphasis on the importance of each Staff member being aware of their responsibilities towards their colleagues, customers, regulators and all other stakeholders.

Each Staff member is personally responsible to protect the Bank's good reputation and to conduct their work in a manner that ensures the Bank's compliance with its obligations and adherence to the abovementioned values. The management of the Bank ensures that the internal framework and the corporate culture of the Bank recognizes and manages prudently the risk of improper market conduct thus resulting in high satisfaction and retention of its clientele.

The Bank operates in a market economy, thus, within its capacity and legal framework, promotes and supports the competitive and fair market practices that ensures free choice of financial services among the customers.

2.2.1. In the workplace

Accountability - Responsibility

The Supervisory Board, setting the tone at the top, aims at strengthening the individual accountability and responsibility of the members of the Board of Directors, managers of all hierarchical levels and other key function holders and all staff, and raising standards of conduct across the Bank.

To this end, the following principles shall especially apply:

- ✓ Board of Directors members, division managers and other key function holders are fit and proper for their roles, and held accountable and responsible for the actions of their staff and the conduct of the business under their purview.
- ✓ The Bank's governance framework is supportive of and conducive to Board of Directors' performance of their roles and responsibilities.
- ✓ The Bank's overall management structure and reporting lines are clear and transparent.

In order to ensure responsibility and accountability of the Bank's Senior Management, the Supervisory Board:

- ✓ Oversees Senior Management's efforts to foster a culture of ethics and compliance within the Bank, to enhance the internal ethics culture and business integrity and to discourage unethical behavior.
- ✓ Oversees the mapping and clear allocation of responsibilities within Senior Management, so as to ensure Senior Management accountability for their conduct, actions and competence.
- ✓ Provides opinions on ethical matters concerning members of the Board of Directors, including on issues provided for in the Bank's Codes of Ethics or in related relevant provisions, during the period of their mandate.

- ✓ Reviews and oversees Senior Management on the implementation and effectiveness of the Bank's ethics and culture initiatives, including training on ethical decision-making and the processes for the reporting and resolution of ethics issues.

Diversity – Respect for Personality

Across the entire spectrum of our operations it is evident that we can achieve better results by working as a coherent team. Without restricting the independence of employees, and by defining roles and responsibilities, the Bank fosters equality, diversity, respect and team spirit in a positive and fulfilling working environment.

The Bank's philosophy is founded on respect for each employee's personality. To this effect, the Bank does not tolerate any kind of discrimination or offensive behavior against one's personality (for example, moral, sexual, psychological or other kind of harassment, intimidation, persecution and other), or social exclusion or unfair treatment due to nationality, race, color, ethnic or social origin, membership of a national minority, property, birth, health or disability, age, sexual orientation, gender, genetic features, family and marital status, religious, political or other conviction, , membership in trade unions, veteran status, citizenship status, or pregnancy, childbirth and parenthood.

On the contrary, the Bank highly values the ideas and perspectives of employees from different backgrounds and who possess diverse talents and characteristics, which contribute to business growth and ensures that equal opportunities are provided to employees. The Bank aims at implementing measures that ensure equal opportunities for all genders, including with regard to career perspectives and improving the representation of the underrepresented gender in management positions.

The Bank's approach on diversity focuses among others on:

- ✓ attracting, engaging and retaining diverse talent.
- ✓ enhancing community reputation and impact.

Equal Treatment – Team Spirit

In order to ensure equal treatment of all staff members, the Bank ensures protection of direct and indirect discrimination, through establishing transparent processes for equal opportunities for i. employment, remuneration and career development; ii. Objective and transparent evaluation and merit-based rewarding; iii. Overall working conditions; iv. Access to trainings and v. transparent and unified criteria during disciplinary proceedings. It develops a meritocratic system for the assessment of performance, promotions and remuneration of staff, and supports the constant improvement of the staff's skills by holding significant training and educational programs for their professional development.

Also, the Bank designs and implements actions, development and incentive systems aiming at the recruitment, selection and further leverage of human resources.

Additionally, the Bank respects its staff's right to organize and unionize and cooperates closely with employee trade unions.

Additionally, the Bank respects its staff's right to establish, organize and join a trade union, of their own choosing, under the terms and conditions set forth by the Statute or by the rules of that trade union. The Bank will continue cooperating closely with the union representatives for the purposes of promotion and protection of all economic, social and other individual employee’s entitlements as well as the company collective interests.

Through experience and team spirit, the Bank endeavors to keep ahead of developments in our business area prudently and consistently. The Bank's personnel is encouraged to propose new ideas, backed by substantiation, to be reviewed and assessed by the relevant departments.

The Bank ensures that appropriate measures are taken so as to enable staff participation in learning and development courses in the Republic of North Macedonia and abroad.

Safe working environment

The Bank provides pleasant and safe working conditions, respecting the balance between work and personal life.

Health and safety in the workplace remain a priority for the Bank, committed to ensuring a safe working environment. The Bank is committed to complying with the occupational health and safety regulations, providing a safe and healthy working environment for the entire staff through the implementation of programs for the prevention of occupational risk, as well as through providing a protective infrastructure and equipment as well as techniques for handling emergency situations.

Within this context, the Bank, in collaboration with professional and authorized company from the occupational health and safety field, carries out regular controls to ensure the adequacy and appropriateness of existing health and safety standards in the workplace, creating job risk assessments and statements for safety at work, providing for relevant staff trainings for health and safety at work and consulting with employees representatives about the occupation health and safety measures and the related issues, while it has also developed plans for handling emergencies, aiming both at the prevention of occupational risk and the support of employees in cases of violent incidents (robberies and verbal / physical abuse).

Protecting the Bank's assets

The Bank's staff shall protect the Bank's assets from damage or unauthorized use either by the staff itself or by third parties. This obligation includes also Intellectual Property Rights, such as trademarks, domain names, logos, circulars, policies, procedures, databases and the Bank's Publications.

In that context, all employees shall ensure full transparency in the selection of goods and services, protecting the Bank's reputation and acting in line with the relevant procedures.

Additionally, employees shall ensure that the IT equipment is used only by authorized individuals and solely for professional use, while they shall observe confidentiality with regard to transactions and operations of the Bank and take every measure to protect the Bank's interests, property or securities entrusted to the same.

Especially regarding Intellectual Property Rights, each employee shall make sure that their use complies with the relevant procedures set out in the internal policies and procedures and that prior authorization by the appropriate Division is sought. To that end, each employee shall report to the Compliance Division/Bank Secretary any suspicions of improper use of the Bank's intellectual property rights.

Adherence to AML/CFT provisions

The Bank acknowledges the need to adopt and implement effective measures regarding AML/CFT. To that end, the Bank has in place AML/CFT Policy – Customer Acceptance Policy and provides personnel with access to continuous training for the prevention and handling of the said matters and fully complies with the relevant laws and regulatory decisions.

To this effect, the Bank:

- ✓ Establishes effective IT systems in order to trace, monitor and assess transactions and customers of high risk.
- ✓ Cooperates and exchanges information with supervisory authorities and bodies.
- ✓ Does not carry out transactions the legality of which is questionable or transactions with individuals or legal persons/entities, when this is prohibited under provisions of supervisory, judicial and other Authorities.
- ✓ Provides the staff with access to relevant continuous training.
- ✓ Fully complies with the relevant laws and regulatory decisions.

Rejecting any act of bribery

Furthermore, the Bank takes every measure to prevent and deter actions related to bribery by the Bank officers, employees, as well as associates and providers who have been assigned with activities within the context of an outsourcing agreement.

To this effect, the Bank has adopted an Anti-bribery Policy, which sets relevant principles and rules, aiming at:

- ✓ Adopting clear-cut principles and rules for the prevention of bribery.
- ✓ Raising the awareness of the Bank's staff in order to enable the staff to recognize and deter or prevent actions related to bribery.
- ✓ Encouraging the reporting of suspicions by creating internal communication channels to ensure the protection of individuals and confidentiality, in line with the Whistleblowing Policy implemented by the Bank.
- ✓ Enhancing the prompt adoption of measures against individuals involved in bribery, considering that the Bank shows zero tolerance to corruption.

All Bank officers, employees and associates are responsible for the prevention, deterrence and reporting of such cases.

As part of the effort to protect the Bank's reputation, every employee shall:

- ✓ Not accept gifts in the form of cash (regardless of amount) or goods (trips, hotel accommodation, significant discounts for purchases of goods and other). Promotional low-value gifts, such as stationery bearing a corporate logo, symbolic gifts for Christmas, Easter or name-day, considered traditionally and socially acceptable are excluded. In any case, the gift value should not exceed €250 or the equivalent in another currency.

  If the gift is of higher value and the customer insists, the employee shall accept the gift but is obliged to immediately report it to the Head of the Unit or the Compliance Division / Bank Secretary.

- ✓ Not offer or promise a financial or other benefit to any individual in order to tempt the latter to act irregularly or to reward the same for an irregular action/activity.

- ✓ Not seek to secure any type of benefit or advantage by taking advantage of his/her SB employee capacity inside or outside the Bank.
- ✓ Ask for the approval of the Head of the Division to invite a customer to lunch/dinner or to attend sports or art events upon a client's invitation.
- ✓ If the recipient of the above gifts/benefits/advantages is the Head of Unit, he/she is obliged to proceed to the relevant reporting to the Head of Compliance Division / Bank Secretary or the relevant member of the Board of Directors or Senior Manager to whose supervision he/she is subject. If the recipient is the Head of Compliance Division/ Bank Secretary, he/she shall immediately report to the CEO.
- ✓ If there is suspicion that the above rules are not met, a report should be submitted to the Compliance Division / Bank Secretary.

Legal Associates

Particularly taking into consideration that the Bank engages attorneys during the course of business, it is imperative that all attorneys (internal or external) providing services to the Bank adhere to the principles of the Code of Ethics and avoid any circumstances that may lead to conflict of interest. It is noted that the legal profession in the Republic of North Macedonia is governed by the Code on the professional ethics of the lawyers, the lawyers 'professional associates, and the lawyers' trainings of the Chamber of Advocacy of RNM.

All attorneys employed by the Bank, providing legal services based on a fixed annual fee, providing legal services on a project/case base, on an internship base, should adhere to the:

- ✓ principles of the present Code, as well as the Bank's Conflict of Interest Policy.
- ✓ disclosure requirements, in respect to any instances or circumstances that may lead to potential conflict of interest. Additional disclosures, in cases that themselves or members of their private legal office staff or family members undertake legal cases on behalf of the Bank

In the course of fulfilling their duties, or afterwards, legal associates shall take all due care to avoid extrajudicial or judicial conflicts of interest and observe secrecy and confidentiality during the performance of their duties, while taking every measure to prevent any divulgence of confidential information to third parties. Legal associates cooperating with the Bank, at any level, are expected to demonstrate high sensitivity when handling cases.

To that end, lawyers (internal or external), when entering upon their duties, shall provide a signed statement declaring that there is no conflict of interest with respect to cases undertaken by them, and assuring that there is no reputational risk for the Bank, deriving from those cases. Relevant controls may be imposed by the Bank when cooperating with external Law Offices. Accordingly, relevant confidentiality agreements shall be concluded, to ensure that legal associates, to whom such information is exceptionally disclosed, are made aware of the confidential nature and the restrictions on the use of such information.

Media disclosure and social media

As far as media representation is concerned, only authorized staff of the Bank may contact media representatives, authorize or send letters or other similar announcements for publication to the media on behalf or in the name of the Bank. Accordingly, employees shall avoid verbally addressing the media as representatives of the Bank, being interviewed or writing articles and making publications, announcements and in general statements (written /oral) related to the Bank and its activities without prior authorization by the Compliance Division/Bank Secretary.

All employees should use common sense when using social media and internet sites for private purposes with respect to activities that may compromise their personal integrity as Bank's employees and accordingly compromise the Bank's reputation and also ensure that no confidential information of the Bank is disclosed, unless they are authorized to do so.

Media related queries received in the course of staff members' work should be immediately referred to the Marketing and PR Department Manager.

Participation in political parties, organizations, associations and fora

The Bank respects the right of employees to express their societal, religious, and political views, but such activities should be carried out in their private time, outside the premises of the Bank.

However, such activities should in no way interfere with the employees' duties, nor give grounds to any conflict of interest. Prior to proceeding with participating in a political party, or accepting an appointment as prospective candidates therein or in the management body of an organization, association or forum of any type, employees shall inform their supervisors and further proceed as appropriate, where necessary, requesting approvals by the Bank's competent bodies, in accordance with the Bank's regulations and the applicable regulatory framework. Employees should exercise due caution to not create an impression that SB supports or approves their personal political, societal, and religious views and opinions, and accordingly, in public appearances, publicity, including posts on social media, the use of employee data indicating the employment relationship in SB is not permitted.

Additionally, prior to participating as speakers in conferences or symposiums, employees shall inform their supervisors and request approvals in accordance with the internal acts of the Bank.

2.2.2. Towards customers

Maintaining a high standard of professional conduct - Representing the Bank appropriately

All staff members should be aware that the Bank's reputation may be affected by the conduct of its personnel. The Bank ensures that its relationship with customers are governed by values, such as respect, sincerity, trust, accuracy, transparency, reliability, honesty, consistency, equal treatment, objectivity and impartiality.

The Bank incorporates the principles for fair treatment and care of the customers in its risk management procedures, control functions and third party cooperation. It pays special consideration for the challenges that are facing the vulnerable categories of customers (such as the customers with low level of financial literacy and financial inclusion, persons with special needs, migrants, minorities, etc.).

The Bank provides for the proper training of staff and the existence of the appropriate technological infrastructure to ensure the continuous enhancement of quality customer service. The key to top quality services for our customers is professionalism.

Equal treatment of customers

The Bank's activities are customer-focused. Services should be offered in an equally complete, careful and proper manner. The Bank provides for the development and provision of services and products on the basis of common characteristics that define customer groups and thereby averts any kind of discriminatory treatment of customers. The terms which are included in the products / services are clear, comprehensible and fair.

The Bank respects its clients' property right, providing schemes that secure viable solutions (settlements/facilitation arrangements). Accordingly, the necessary measures are taken both regarding the physical protection of customers during their presence in the Bank's premises, as well as the safeguarding and security of their assets (safe-deposit box content and other).

Preventing Conflicts of Interest

The Bank places emphasis and takes the appropriate measures to handle cases that may cause or lead to conflict of interest within the context of the services offered.

Such cases may occur in the event of divergence between:

- ✓ the interests of the Bank and those of the other involved parties (customers, shareholders, employees etc.),
- ✓ the interests of the Bank,
- ✓ the interests of the members of the same team (such as existing or potential customers)

To this effect, the Bank has adopted:

(I) the Policy for avoiding conflicts of interest for Board members, Senior Executives and other Related Parties of SB to control and manage real or potential conflicts of interests between the same and the top/ senior executive officers,

(ii) the Conflicts of Interest Policy that sets out the framework for the identification and management of conflict of interest within the Bank and clients, or among clients themselves during the provision of investment and ancillary services and insurance distribution activities, including insurance-based investment products.

(iii) the Procedure for identification and monitoring of related parties and related parties with SB, which governs the relations with Connected Borrowers.

Within the context of preventing real or potential cases of conflict of interest, the Bank takes the following measures:

- ✓ Adopts rules governed by transparency and based on objective criteria.
- ✓ Implements mechanisms and control systems for the prevention and management of any losses.
- ✓ Clearly discloses to the client the general nature and/or the sources of conflicts of interest and the steps taken to mitigate those risks before undertaking the provision of investment and ancillary services or prior to the conclusion of the insurance contract.

Within the context of preventing conflict of interests each employee shall:

- ✓ Immediately disclose and report to the Head of Division any own interest or relatives' interest which may lead to a conflict with the Bank's interests or prevent the employee from duly performing his/her duties. If such interest concerns the Head of Division, then the latter shall proceed to the same disclosure/reporting to Senior Management/ Board of Directors to whose supervision he/she is subject.
- ✓ Disclose any family relationship with colleagues or customers in order to avoid potential conflict of interest.
- ✓ Not establish common or mutual financial interests with customers and associates of the Bank.
- ✓ Not mediate in any purchase/sale, transfer or in any financial or other transaction, in general, between customers of the Bank, in general, between customers of the Bank, even where relatives thereof are involved, or promote banking or other business in favor of businesses other than those of the Bank.
- ✓ Treat all customers equitably, avoiding partial treatment in favor of certain customers or inhibiting others' business with the Bank without objective justification.
- ✓ Not offer services (e.g. accounting, management, etc.) and products outside the scope of his/her duties within the Bank to customers, the Bank's associates or third parties, with or without remuneration, without prior approval of the authorized bodies, to avoid potential conflicts of interest.
- ✓ Not participate in Committees or Board of Directors of customers, associates of the Bank or third parties, with or without remuneration, without prior approval of the authorized bodies, in order to avoid possible conflicts of interest.
- ✓ Not purchase articles from Bank customers at lower than market rates, and not enter into financial obligations (such as installments, bills of exchange) he/she will be subsequently unable to honor.
- ✓ Not abuse the special favorable terms that the Bank provides to its Staff with regard to certain kinds of transactions and accounts (such as loan facilities and other) and not use these favorable terms irregularly for the benefit of third parties who are not eligible.
- ✓ Not seek the contribution of customers to any kind of event apart from those that are held as part of the Bank's sponsorship program.
- ✓ Not undertake obligations either directly or as guarantors, if they cannot meet the corresponding requirements on the basis of their income or assets.
- ✓ Not seek to secure any type of benefit or advantage for himself/herself or family members by taking advantage of his/her Bank employee capacity.

Preventing the exploitation of inside information

Abiding also by the NBG Group standards on the prevention of Market Abuse, all employees shall:

- ✓ be prohibited to the perform investments of profit making nature. The investments of the Bank’s employees must be of an investment and not profit-making nature.

- ✓ be prohibited to conduct transactions relating to shares or debt instruments of the Bank or to derivatives or other financial instruments linked to them, if they use inside information.
- ✓ be prohibited to conduct transactions relating to shares or debt instruments of listed companies or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report and the convening of the regular or extraordinary general meeting, if they discharge managerial/supervisory responsibilities.
- ✓ report quarterly on all the personal transactions they conducted in financial instruments related to the own portfolio of the Bank, if they hold the position of traders conducting transactions on the own portfolio of the Bank.

Transparency and Reliability

The Bank's relationships with all transacting parties are governed by transparency, as part of SB's efforts to provide accurate, fair, timely, regular, reliable and accessible information relating to issues of concern (such as governance structures and policies, financial results, quantitative and qualitative issues relating to employees and other associates, contractual terms etc.). The timely published financial statements contain a reliable and periodic presentation of the overall financial situation of the Bank supported by the provision of adequate information relating to the Bank's performance and its prospects.

This information helps transacting parties understand the Bank's structure and activities wherever the Bank is active and the policies that it adopts.

Furthermore, within the context of open and transparent communication with their customers, the Bank shall ensure that all advertisements of its services and products are in line with the applicable legal provisions, decent in terms of prevailing moral attitudes, true, clear, in plain and intelligible language and without exaggeration.

It is not permitted to forward advertising to customers who have stated in writing, either at the time their relationship with the Bank began or subsequently, that they do not wish to receive such advertising. The Bank fully complies with the regulatory framework relating to the promotion of sales of goods and services.

Moreover, employees are strictly prohibited from engaging in excessive incentive pursuit and aggressive, deceptive, unfair or abusive sales practices. Additionally, employees, as well as any third party potentially involved, should not manipulate records, open fictional accounts, and falsify applications or skew results in any way for the benefit of themselves, other employees or customers.

Customer Service

At customer service level, the Bank's employees shall observe the following professional conduct rules and shall:

- Observe the applicable legal and regulatory obligations by implementing the relevant codes of ethics without deviations, including the Central Bank Circular for customer protection in the banking sector;
- Takes into consideration the needs and interest of the customers (target market) in the phase of designing the financial services and products;
- Formally address customers, in a calm, patient and polite manner and be responsive to customer needs;
- Provide fast and accurate customer service, as well as clear information to customers and accurate and responsible guidance on issues concerning the protection and advancement of their financial and property interests;
- Have as main priority to advance the interests of their customers. When consulting or giving recommendations, the employees are considering the customers' financial goals, needs and understanding of, taking into consideration the complexity of the product and services and its risks. The Bank recommends particular financial service, taking all reasonable steps to ensure what is in best interest of the customer;
- Make every possible effort to resolve any misunderstandings or disputes that may arise during transactions with customers. If such resolution is not possible, notify customers about internal Bank procedures with regard to filing suggestions or complaints, and give guidance to the customer about how to file a complaint to the appropriate Division of the Bank;
- Treat customers impartially and objectively and avoid discriminating between customers (for example, on the basis of gender, age, nationality, religious views, financial status and other);
- Not occupy themselves with personal affairs in the presence of customers;
- Not use social media to disclose sensitive issues related to the Bank or make negative comments about colleagues, customers, suppliers and others;
- Not smoke in customer reception or waiting areas or transaction halls, as prescribed by law and the relevant Bank circulars;
- Not consume alcohol or other substances in the workplace;
- Dress smartly in the workplace and avoid outfits that do not conform to their professional status;
- Comply at all times with the applicable legislative and regulatory framework and the Bank's relevant guidelines;
- Do their best to ensure the completeness and accuracy of the data/ information provided to customers, other SB Units, Supervisory, Independent and other Authorities;
- Demonstrate sensitivity in facilitating individuals with special needs or individuals that need special treatment.

Accordingly, the necessary measures are taken both regarding the physical protection of customers during their presence in the Bank's premises, as well as the safeguarding and security of their assets (safe-deposit box content and other). In this context, the Bank also undertakes all the necessary measures for minimizing any risk and protection of the assets of customers from internal fraud and misconduct in order to sustain high-level of trust among the society, especially when providing new services, channels of distribution or service providers.

The Bank ensures that its employees in sales are properly trained and competent to provide high-quality service and professional advice for the financial services that are in best interest of the customers; have good knowledge and understanding of the Bank's products and services; are knowledgeable of the regulatory requirements and are continuously involved in keeping their education and knowledge up-to date.

Management of Customer Complaints

The Bank establishes a system for effective handling of complaints and timely and fair resolution of any customer complaint in accordance with its Clients' Complaint Handling Policy. Audit Committee proceeds to further assessment of the analysis of the information deriving from complaints handling, especially regarding significant risks associated with or arising through the complaints handling, and take any required measures or corrective actions, following relevant recommendation from the Compliance Division Every verbal or written complaint and suggestion or comment related to our products and services is subject to immediate investigation and reply so as to establish a spirit of trust and to deal in a timely manner with problems of customers and transacting parties with the Bank.

Moreover, the Bank closely follows and evaluates the reasons behind the complaints received, as basis for undertaking corrective actions. From high-level perspective, the management and the supervisory bodies are involved in systemic overview of the complaints handling system and utilization the customer's input for improvement of the financial services.

Moreover, as part of the endeavor to effectively manage issues related to customer complaints, enhance the products and services, the Bank offers and achieve out-of-court settlement of any disputes.

2.2.3. Towards stakeholders and third parties

Our Bank is committed to achieving results with positive impact on all stakeholders, i.e. shareholders, customers, employees and society in general, and are focused on sustainable development.

Creation of value for stakeholders

The Bank makes investment choices, on the basis of prudent business decisions, that are made with due flexibility and financial integrity in order to achieve the best possible returns and thereby protect shareholders' interests.

The Bank adopts practices that secure a high level of corporate governance, structures and policies that generate solid standards of professional conduct and business ethics and facilitate the smooth operation of the market and reinforce shareholders' trust.

SB has set up a shareholder service which is responsible for promptly, accurately and fairly informing shareholders of their rights and how they can exercise such on the basis of the legal framework and the Bank's Articles of Association. The Bank's first priority is to make sure that shareholders are fully and timely informed not only regarding their obligations but also their entitlements.

To that end the Bank:

- ✓ Aims at the growth of profitability and the improvement of the Bank's returns and focuses on its long term viability and sustainable development, to the benefit of those that trust the Bank by investing in its share.

- ✓ Seeks to provide to investors accurate, full and timely information regarding the financial situation and the financial results of the Bank.
- ✓ Protects the Bank's assets by investing in the areas of its business and by endeavoring to contain the Bank's and the Bank's operating costs.
- ✓ Designs clear reporting, supervisory and control lines, and makes sure that the Bank's bodies do not act without due controls, as part of the effort to ensure transparency for its shareholders.
- ✓ Facilitates the shareholders' participation in the General Meetings.
- ✓ Makes sure that shareholders are sufficiently informed about the purposes of decision making by the General Meeting.
- ✓ Presents to the shareholders the Annual Corporate Governance Report, which includes a relevant Corporate Governance Statement.

Fostering transparent business relationships

The Bank recognizes that the competitiveness and success of an organization are the products of team work and also require the contribution of third parties such as associates, suppliers, investors and others. The Bank respects the rights, and protects and ensures equal treatment of all bodies cooperating with the Bank.

The selection of associates is carried out on the basis of strict but fair criteria, observing the applicable legislative and regulatory provisions and requirements, founded on key criteria including reliability, integrity, honesty, impartiality, high quality of products and services, price policies, consistency and prudence in the management of a business.

The Bank requires that its associates respect its Principles and Values, comply with such, and adopt respective policies and procedures of their own.

Upon entering business agreements with third parties, the Bank shall ensure:

- ✓ Adherence to the current Code of Ethics.
- ✓ Assessment of the experience, reputation and overall status of the third parties – associates, including the technical and organizational capabilities concerning protection of personal data;
- ✓ Understanding of the services provided by third parties, as well as of the payment and remuneration methods thereof.
- ✓ Assessment of potential business relationships with third parties.
- ✓ Monitoring of third party activities affecting the Bank.
- ✓ Full transparency in the selection of its associates, on the basis of strict and objective criteria, in line with the Regulations for procurements and Technical Projects of the Bank.
- ✓ Equal opportunities for all parties interested in doing business with the Bank.
- ✓ Adherence to the terms of contracts entered with its associates - third parties and timely resolution of any dispute with such.

The Bank's Internal Control System comprises a cluster of appropriate, sufficient and effective control mechanisms and procedures which serve to ensure adherence to internal procedures and obligations deriving from the applicable legislative and regulatory framework, as well as the consistent implementation of business policy.

ICS's smooth operation, supervision and assessment within the Bank is based on the following key functions, i.e.: the internal audit function, the risk management function and the compliance function.

The role of ICS is vital as it comprises a cluster of control mechanisms and procedures that governs every activity and action on a continuous basis.

The successful and effective operation of ICS ensures:

- Consistent implementation of the business strategy.
- Identification and management of all types of assumed risks within the context of the Bank's activities.
- Fullness and reliability of financial and business information.
- Compliance with the legislative and regulatory framework, internal rules, regulations, approved policies and procedures.

  Prevention of misconduct and detection of irregularities.
- Development of a system of control mechanisms adapted to the scope and complexity of their operations,
- as well as the synergies across the relevant Management Units.

  Assessment of the system's adequacy and efficiency by external auditors.
- Detailed recording of procedures related to the operation of the system and the Business Units
- supporting it.

Three lines of Defense

In the context of sound corporate governance, the Bank abides by the Three lines of Defense model, which comprises of the business lines (first line of defense) which take risks and are responsible for their operational management directly and on a permanent basis, the independent risk management, compliance function and internal control function (second line of defense) and the internal audit function (third line of defense).

Great emphasis is placed on the accountability displayed by business units, which, as the first line of defense, have a material role in ensuring robust risk management and compliance within the Bank.

2.2.4. Towards the community and the environment

The Bank's key priority is the creation of value for shareholders in combination with the implementation of socially responsible practices, actions and initiatives.

The Bank aspires to abide by a high level of social responsibility, adhering to and promoting human values as well as social, intellectual and cultural values, taking into account international standards and constantly monitoring regulatory developments, best practices and trends.

Corporate Social Responsibility (CSR) and ESG standards

The Bank ensures that its social and environmental action is always in line with the interests of its shareholders and stakeholders. Within this context, SB adopts a Corporate Social Responsibility (CSR) standards which is also implemented by the Bank and which defines the key pillars of the Bank's CSR and ESG driven relevant actions to be taken by the Bank.

The Bank systematically implements policies that have been developed for the purposes of sustainable growth and for the incorporation of ESG factors, enhancing the social, governance, and environmental awareness of the staff and, indirectly, shareholders, suppliers, customers and other stakeholders. They also aim at attracting socially responsible partners, investors, customers and staff. In that context, emphasis is placed on advancing sustainable finance and investment, Green Banking, responding to the increasing interest of the society and customers for services and products that contribute to the protection of the environment and sustainable growth.

Environmental System

The Bank monitors and constantly improves the Environmental Management System in line with international standards, observe the relevant legal framework, set targets on the basis of the respective criteria, assess the impact of their activities on the environment, and keep up-to-date as regards international trends. The Environmental Management Program focuses on saving natural resources, the rationalization of commuting for professional purposes, the efficient management of waste materials, the implementation of environmental criteria to supplies, and the implementation of rules for the analysis and evaluation of environmental risks in financing procedures.

The Bank focuses on “social investment”, identifying new opportunities in the development of programs and infrastructure, which will improve quality of life, and which will increase the capacity of the community to develop sustainably.

Financial Education and Awareness

The Bank supports the Central Bank Strategy for Financial Education and Inclusion, to ensure higher quality of information and understanding of the customers of banking and financial services, especially paying special attention to the needs of the vulnerable groups and the digital trends for management of the personal finances.

The Bank supports the goals of the aforementioned Strategy (ex. improvement of the financial discipline, financial inclusion, etc.) and consider them as aligned with the Bank’s own mission, strategic goals and objectives. In this regard, the Bank undertakes and/or participates in various activities related to promotion of financial education,

awareness and inclusion, actively shall cooperate with the responsible authorities, and provides transparent and timely feedback and information to the regulators.

2.2.5. Confidentiality and Personal Data

Observing Confidentiality

The Bank takes every measure to protect confidential information regarding customers and transacting parties, and to use such only for the purpose they are initially provided. “Confidential" is defined as the information coming to the attention of employees, whether directly or indirectly, during the course of their work and which may concern the Bank, customers and other associated individuals, and as defined in the applicable legal and regulatory framework.

All Staff members have a duty of confidentiality in respect to their work and the information they may handle and retain. Every piece of confidential information is treated with the appropriate secrecy and all laws and rules related to professional and banking secrecy must be strictly observed. Unauthorized use of videos, sound recordings or other form of recording or data storage is forbidden.

As part of the effort to ensure the security and protection of privacy of staff, associates and any third parties, the Bank has introduced procedures and implemented systems which enable the controlled flow of information, so that information is disclosed to the competent individuals, and only insofar as it is deemed necessary within the context of exercising their duties, and access to classified information by unauthorized employees and/or officers is prevented. Special attention should be drawn during the execution of banking transactions, so as to comply with the provisions of the applicable law on the secrecy of bank deposits.

Special attention should be paid by all employees engaged in procedures for introducing new and modifying/removing existing products/services, in order for them to be aware of the provisions of the present Code and comply accordingly with the provisions of confidentiality.

The obligation concerning the confidentiality of data excludes cases in which the provision of data is required by the Internal Audit Division for the purposes of audit and/or investigation or by Compliance Division / Personal Data Protection Officer and/ or Supervisory or other competent Authorities.

Protection of Personal Data

The Bank recognizes and attaches particular importance to the obligation of the Bank to comply with applicable legislation on the protection of individuals from processing of personal data, and has adopted a Personal Data Protection Policy.

Within this context, SB collects and manages specific information which concerns staff (under a dependency or other contract), shareholders, potential customers, customers, borrowers or borrowers' other lenders,

guarantors, and generally all types of persons who maintain any kind of business relationship with SB, suppliers and other persons that cooperate with SB.

Specifically, the said information:

- is collected in a fair and lawful manner, with the data subject's consent where required,
- is collected for specific, explicit and legal purposes, and is fairly and lawfully processed in light of such purpose,
- is kept securely and only for the time period provided for the fulfilment of the purposes of collection and processing.

Accordingly, the Bank has introduced procedures and implemented systems which enable the controlled flow of information so that:

- ✓ it is disclosed to the competent individuals and only to the extent deemed necessary within the context of their duties. In the event that the Bank needs to enable access to Confidential Information to a larger number of individuals, every measure shall be taken, including the execution of a relevant confidentiality agreement, to ensure that the third parties to whom such information is exceptionally disclosed are made aware of the confidential nature and the restrictions on the use of such information,
- ✓ access to classified information by unauthorized personnel shall be prevented.

Any queries or concerns of an information security nature should be reported to the Personal Data Protection Officer of the Bank.

Our employees understand that they shall:

- ✓ protect information of confidential nature which is related to the staff, customers and shareholders,
- ✓ use confidential information only for the purposes it was initially collected,
- ✓ ensure only authorized access to office equipment (computers, telephones, fax and other devices) even when their desk is left unattended for just a few minutes,
- ✓ safeguard their codes of access to the Bank's systems and under no circumstances disclose them to third parties,
- ✓ observe confidentiality with regard to transactions and operations of the Bank and take every measure in order to protect the Bank's interests, property or securities entrusted to the same,
- ✓ not disclose customer details to third parties, even if such are requested by the customer's family environment,
- ✓ unless there is a relevant authorization, not discuss customer cases and details loudly in customer reception and waiting areas and transaction spaces, not use confidential information related to customers in an improper manner,
- ✓ ensure that no information, documents, files, printouts, etc. remain exposed to unauthorized access on their
  desk or counters, and that the said confidential information is completely safe when their desks are left unattended (for example, locked in drawers),
- ✓ ensure that customers have no visual contact with the screens of computers used to support various transactions, ensure that no business data are displayed on the screen when the workstation is left unattended, even for a few minutes,
- ✓ ensure that any confidential document that needs to be disposed of is destroyed beyond recovery, in line with the relevant circulars for the safe destruction of documents containing personal data,
- ✓ immediately inform the Personal Data Protection Officer and the Information Security Officer if any third party discloses by mistake any kind of confidential information that has not been requested,

- ✓ ensure that the customer's - individual's consent has been obtained when necessary for the collection, maintenance and processing of personal data,
- ✓ inform the customers - individuals about their rights, as per the provisions of the Policy and in alignment with the regulatory framework respect any data subject's access request and, if required, seek advice from the Personal Data Protection Officer,
- ✓ not forward information and advertising material regarding services and products offered if the customer individual does not consent thereto,
- ✓ not process data of relatives or third parties without their prior consent (for example, regarding the review of their creditworthiness),
- ✓ not process personal and sensitive data of customers outside the Bank's network (for example, on personal computers),
- ✓ consult the Personal Data Protection Officer for every important project and/or changes in the processes that may affect the processing of personal data;
- ✓ deliver all information that includes personal and sensitive data of customers to their superior officers when their cooperation with the Bank ends, observe secrecy and protect confidentiality of all data or information related to the Bank, or its customers against intentional or unintentional disclosure to unauthorized individuals even following the termination of their access to such information and/or the termination of their employment contract with the Bank.

The Personal Data Protection Officer provides guidance on data protection issues to the Units and the branch network and acts as contact point for supervisory authorities on issues related to the processing of personal data, as well as cooperates with authorities in any other matter.

3. KNOWING YOUR RESPONSIBILITIES

Every employee of the Bank shall respect and duly observe this Code. All employees, regardless of grade and/or position or form of service provided, undertake the responsibility to be at all times aware of their responsibilities deriving from the present Code, as well as to prevent actions which may not be in line with the Bank's commitments within the context of this Code.

3.1. Addressing Concerns

There are various ways in which employees can make inquiries regarding the implementation of the Code or report possible misconduct without the risk of incurring sanctions as a result of making such reports:

- ✓ Employees are entitled to express their concerns and report Code-related issues to their supervisors, as well as to the competent Division (e.g. Human Resources Divisions, Compliance Division / Bank Secretary, Internal Audit Division), in accordance with the nature of the issue at hand, and with the procedures each time applicable. All senior management officers are by duty bound to oversee the proper implementation and to provide guidance regarding how to handle any kind of breach of the Code.

- The Bank encourages the reporting of every misconduct/ serious irregularity/violation of legislation through its available whistleblowing reporting channels in accordance with SB's

Whistleblowing Policy. It is noted that all necessary measures are taken to ensure anonymity and data security throughout the process of submitting, receiving and processing whistleblowing reports.

In case of submission of a whistleblowing report, there is an online application form available on the Bank's web site.

The Bank ensures that retaliation is not tolerated against anyone who raises, in good faith, concerns about ethics violations, illegal conduct, sexual or other forms of harassment, discrimination, inappropriate workplace behavior or any other issue related to the present Code, even if said concerns turn out to be unfounded. If an employee believes that they are experiencing retaliation, they should report it in line with the provisions of the Whistleblowing Policy and, accordingly, special measures, including disciplinary actions, may be taken against any member of staff who uses retaliatory measures.

In any case, employees that wish to address issues deriving from the present Code are able to contact the following Divisions:

- ✓ Compliance Division
- ✓ Bank Secretary
- ✓ Human Resources Division
- ✓ Legal Division

3.2. Implementation of the Code

The Board of Directors oversees the implementation of the present Code.

Annex I

What is expected with regard to the Code

What Is Expected of Everyone?

A. Comply with the Code and the regulatory framework

- Read and clearly understand the Code.
- Comply with the Code and the Bank's internal policies and procedures.
- Use good judgment and critical mind.
- Avoid improper behavior.
- Wherever required, inform/ask for prior approval of the competent body, in accordance with the Code and the Bank's internal policies and procedures.
- Express concerns and report Code-related issues to your supervisor/competent Division per case (e.g. Human Resources Divisions, Compliance Division / Bank Secretary), in accordance with the nature of the issue at hand, and with the procedures applicable at each time.
- Be aware that any actual or suspected instances of non–compliance with the Code will be handled between relevant management bodies and the Human Resources Division, in line with the Bank's Disciplinary procedure.

B. Considerations of Actions and Asking for Guidance

- If ever in doubt about a course of conduct, use the *Decision Making Tool* below.
- If you are still uncertain, ask for guidance. You can seek help from:
  - your supervisor
  - the Compliance Division / HR / Bank Secretary, including when you are unsure whether certain incidents are subject to reporting as per the provisions of the Code or the Whistleblowing Policy.

What Is Expected of Management?

A. Promote a Culture of Ethics and Compliance

- The Senior Management should at all times be the role model of appropriate conduct. In this context, as Senior Manager, you should:
- Ensure that the Staff under your supervision, understand their responsibilities under the Code and other SB policies.
- Foster compliance with the Code in their area of responsibility, by leading the example.
- Discuss and highlight the importance of ethics and compliance with your employees.
- Prevent any possible violations of the Code by those you supervise.
- Consider conduct in relation to the Code and other policies when evaluating employees.
- Never encourage or direct employees to achieve business results at the expense of ethical conduct or compliance with the Code or the regulatory framework.
- Promote and oversee a Culture of Ethics and Compliance at all times acting in accordance with the Code, the applicable legal and regulatory framework and the highest ethical and conduct standards.

B. Respond to Questions and Concerns

- Listen carefully, with your complete attention, to any question concerning the Code and its implementation.
- Ask for clarification and additional information, whenever deemed necessary.
- Seek help if you need it, and especially when the employee raises a concern that may require further investigation.

Annex II

SB Policies

When addressing issues of the present Code, the following Policies, covering related matters, may be referred to:

- SB Anti-Bribery Policy
- SB Whistleblowing Policy
- SB Anti-Fraud Policy
- SB AML/CFT Policy – Customer Acceptance Policy
- Complaints Handling Policy
- Conflicts of Interest Policy
- Conflict of Interest Policy For Senior Executives
- NBG Group standards on the prevention of Market Abuse
- Procedure for identification and monitoring of related parties and related parties with SB
- SB Procurement Policy
- Procedure for introduction and implementation of new or modification of current products / services in Stopanska banka AD-Skopje
- Corporate Social Responsibility (CSR) standards
- Code of Ethics for Financial Professionals of SB
- Personal Data Protection Policy
- Information Security Compliance Policy

In any case, and depending on the matter at hand, employees may also consult, as per case applicable, other SB Policies, which are published and accessible in the Bank's Intranet.

Annex III

Indicative Q&As on the Implementation of the Code

Q: A team of employees, of which you are part, came up with a strategy for a project and it failed. What actions should you take?

A: Team members are to jointly take responsibility for this failure, instead of blaming it on individual members of the team out of fear.

Q: A customer offers you a gift for having serviced them correctly and promptly. What actions should you take?

A: You should refuse the acceptance and inform the customer politely that this is something which in accordance with the Code of Ethics you may not accept. If the customer insists and if the gift is considered traditionally and socially acceptable, and its value is less than €250, you may accept the gift but you must immediately report it to the Head of your Unit or the Head of the Compliance Division / Bank Secretary.

Q: You have reported, in good faith, an incident via the available whistleblowing channels and are now receiving retaliation. What actions should you take?

A: You should report it in line with the provisions of the Whistleblowing Policy so as for special measures, including disciplinary actions, to be taken against those retaliatory measures.

Q: You have various documents and print outs of customers serviced during the day on your desk, when a colleague requests that you service a new customer. What actions should you take?

A: You should make sure that all documentation of other customers is withdrawn from your desk and secured appropriately, ensuring confidentiality and protection of their data, before servicing the new customer.

Q: You wish to participate as speaker in a conference. What actions should you take?

A: Prior to participating, you must inform your supervisors and request approval by the Compliance Division.

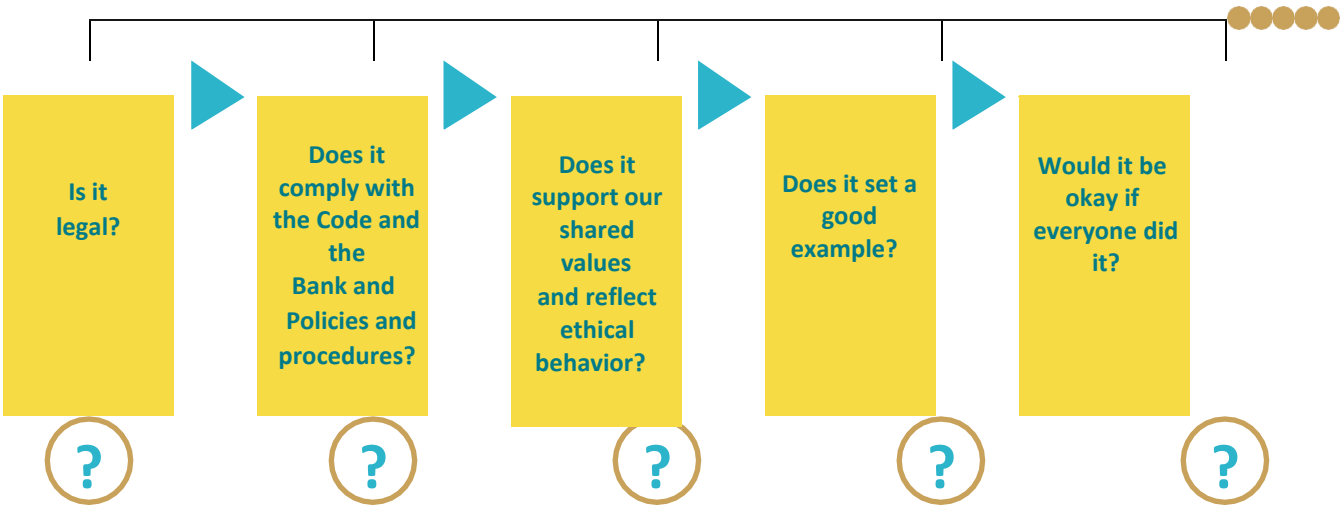
In any case, the Bank's Code of Ethics e-learning Program includes detailed examples and cases for the better understanding of the application of the Code of Ethics.

Annex IV

Decision Making Tool

When called to make a decision and you find yourself unsure as to whether the course of action will abide by the present Code, the following decision making tool can assist you in doing the right thing.

Ask yourself:



Your decision appears to comply with the Code, yet you can always seek for additional advice.

Seek guidance by your supervisors and the competent Divisions, in accordance with the Bank's Policies and Procedures.

Do not proceed, as this action could lead to serious consequences.

Annex V

Code of Ethics for Financial Professionals of Stopanska Banka AD – Skopje

I. PURPOSE

This Code of Ethics for Financial Professionals of Stopanska banka AD-Skopje sets out the key ethical requirements and standards of conduct applying to persons who are involved in preparing, compiling and filing financial statements and other financial disclosures of the Bank (hereinafter referred to as "Financial Professionals"). Its main purposes are:

- ✓ to promote sincere and ethical conduct, including the prevention of situations where there is actual or potential conflict of interests;
- ✓ to promote transparency, honesty, integrity and moral conduct in the performance of Financial Professionals' duties;
- ✓ to comply with the regulatory framework applicable, particularly with respect to due preparation of corporate (on both a stand-alone and consolidated basis) financial statements of the Bank as well as of any other financial disclosures;
- ✓ to ensure complete, correct, accurate and timely filing of financial statements and any other financial disclosures;
- ✓ to submit in due time internal reports in the event of breach hereof, and
- ✓ to bind Financial Professionals to comply with the provisions hereof and the ethical rules underlying the regulatory framework applying to the Bank.

II. SCOPE

The Financial Professionals subject to this Code of Ethics include:

1. The members of the Supervisory Board, Board of Directors, the Head or Senior Manager for treasury and finance, Accounting Division, Budgeting and financial reporting Division, as well as any other person involved in accounting and financial reporting segment,

2. All persons serving in a Division or department who are responsible for preparing the financial statements and recording the financial results of SB, and for preparing the consolidated financial statements of SB, if any, that is required to prepare separate consolidated financial statements.

3. All employees involved in investor relations in the Country and abroad, with respect to the Bank's strategy and financial results.

III. KEY PRINCIPLES

Financial Professionals are required:

1. to comply, in performing their duties, with the requirements of the statutory and regulatory framework governing the operation of SB;

2. to comply with the SB's Code of Ethics;

3. to comply with the Policy for avoiding conflicts of interest for Board members, Senior Executives and other Related Parties of SB;

4. to avoid situations where there may be conflict of duties or conflict between their personal interest and that of the Bank. In the event that their personal interest does not or may not coincide with the interest of the Bank, Financial Professionals should demonstrate integrity and honest conduct;

5. such cases should be reported to the Compliance Division, which, after assessing the grounds of the relevant report, shall notify accordingly the CEO. The Audit Committee of SB shall be informed on a regular basis through

the annual reports prepared by the Compliance Division, and extraordinarily in the event of significant conflict of interest;

6. to strictly protect the confidentiality of all non-public information regarding SB and their customers obtained in connection with their duties; to comply with all applicable laws and regulations regarding banking secrecy, personal data protection and, in general, confidentiality requirements in connection with banking issues; to take all reasonable measures to prevent the unauthorized disclosure of such information to any third party, unless required to do so by applicable law or by legal, regulatory or other public authority. In any case of confidential data disclosure to third parties, the prior consent of the Compliance Division is required, unless expressly stated by law;

7. to ensure that the information contained in (i) SB's official reports filed with competent regulatory bodies, and (ii) SB's public communications, is complete, accurate, timely and intelligible, and that all such information is presented in accordance with applicable rules and regulations; to cooperate, to this end, with Compliance Division and the Secretariat of the Bank (BoD Office);

8. to promptly notify the Audit Committee SB and the Compliance Division of any violations hereof;

9. to establish and maintain a good working relationship with the external auditors of SB and to provide all necessary assistance for them to complete their audit;

10. to confirm in writing that they have read, understood and agree to comply fully with this Code of Ethics. To understand that they will be held accountable for any violation of this Code of Ethics in accordance with the Labor Regulations of the Bank, the law, the internal regulations and the respective employment contract.

IV. GOVERNANCE

SB Supervisory Board has the authority to adopt and approve this Code of Ethics, following prior approval by the Audit Committee, in line with a relevant recommendation of the Compliance Division.

The Management of the Bank is responsible for establishing the procedures necessary to apply effectively this Code.

The Compliance Division monitors application hereof and is responsible for updating the Audit Committee on the implementation of this Code of Ethics. Furthermore, it proposes revision hereof to the Audit Committee and the Supervisory Board.

The Audit Committee notifies the Supervisory Board of any violations hereof and proposes appropriate corrective measures. In addition, it approves or rejects any requests for exemption from the provisions hereof on recommendation of the Compliance Division, pursuant to chapter V here in below.

V. EXEMPTIONS

Requests for exemption from the provisions of this Code of Ethics shall be submitted by the parties concerned to the Audit Committee, which is competent to decide whether to approve such request. Any approval to exempt a specific person from the provisions hereof, as well as the reasons for such approval are disclosed pursuant to the provisions of the applicable regulatory framework.

VI. FINAL PROVISIONS

This Code of Ethics for Financial Professionals applies in addition to SB's Code of Ethics, Code of conduct for banks and saving houses signed between Bankers Association and Ministry of economy (dated March 2013), the Bank's Labor Regulations, as well as any other professional codes of conduct that apply to Financial Professionals. In the event of overlapping provisions the stricter one shall apply. The absence herein of an express guideline, practice or instruction with respect to a specific case does not release Financial Professionals from their commitment to demonstrate the highest standard of ethical conduct appropriate under the circumstances.

Each employee of the Bank is obliged to report promptly any violations hereof to the Audit Committee through the Compliance Division. Such report shall be treated in confidence. This Code of Ethics shall be communicated to Financial Professionals upon its approval and the same shall be posted on the Bank's website.