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| Corporate Values and Standards of Professional Conduct and Ethics | |  |
| **Approved**  Signet Bank AS |  | |
| At the session of the Supervisory Board: | 22.12.2023. | |
| Minutes No.: | 1-3/47 | |

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# I Terms Used

1. Bank – Signet Bank AS.
2. Employer – the Bank or a Group company as a legal entity which employs Employees under a contract of employment and organises and provides for work process pursuant to the regulations of the RL and internal regulations of the Bank or a Group company.
3. Employee – a natural person, including members of the Supervisory Board and Management Board of the Group companies, performing specific work under the management of his or her Employer in accordance with a contract of employment for the remuneration specified in the contract of employment.
4. SD – Security Department of the Bank.
5. Group – the Bank and its subsidiaries
6. RL – the Republic of Latvia.
7. HR – HR manager of the Bank.
8. CRMD – Compliance and Risk Management Division of the Bank.
9. The Standards – the internal regulatory document of the Bank ‘Corporate Values and Standards of Professional Conduct and Ethics’.

# II General Provisions

1. The Group shall establish and document the Group's corporate values and standards of professional conduct and ethics, to ensure that members of the Supervisory Board, members of the Management Board, persons performing key functions, heads of departments and other Employees of the Group, while working towards the same goals, perform their duties with the utmost integrity, are impartial in the performance of their duties and when making decisions, comply with laws, regulations and standards, respect the confidentiality of information about transactions and customers and trade secrets, including respect the basic principles of personal data protection, and in their conduct and behaviour comply with high ethical standards.
2. The objective of the Standards is:
   1. to establish certain guidelines of conduct to be observed by Employees in their relationship with their colleagues, clients, co-operation partners and society overall;
   2. to address corruption, insider dealing and any other illegal, unethical or questionable conduct, as well as to mitigate risks related to operational activities and reputation.
3. The Standards are based on the Group’s strategy, objectives and values – excellence, partnership, commitment – which provide for the development of the Group’s corporate culture, competitiveness, and reputation as a competent, reliable co-operation partner.
4. The principles contained in the standards are applied in all companies of the Group, i.e. the Group-wide Corporate Values and Standards of Professional Conduct and Ethics are implemented.
5. The Group’s companies, taking into account their business models, may develop and approve their internal regulatory documents that regulate in detail various issues related to corporate values, professional conduct and ethics, complying with the following principles:
   1. these internal documents must comply with the principles set out in the Standards and external legislation;
   2. policy level documents are agreed with the Bank in accordance with the procedures existing in the Group;
   3. in the event that the Group’s company chooses not to develop separate standards of corporate value, professional conduct and ethics, those Standards are binding on it in full.
6. Each Group’s company has a unit/ person/ collegial institution responsible for corporate values, professional conduct and ethics (hereinafter – the Responsible Unit), which operates in accordance with the conditions set out above, and informs the Supervisory Board thereof. If such a Responsible Unit has not been determined individually, the Board of the Group Company shall be considered the Responsible Unit.
7. The policy is implemented in compliance with the requirements of external legislation, as well as internal regulatory documents of the Bank and the Group companies in the field of personal data protection.
8. In order to ensure that Employee complies with the security policy of the Bank, upon signing a contract of employment an Employee shall fill in the Personal Data Form and the Economic Interests Form and certify the veracity of the data by his or her signature. The Personal Data Form and the Economic Interests Form are both approved by the Management Board of the Bank. CRMD and SD are responsible for regular evaluation and updating of the content of the Personal Data Form and the Economic Interest Form.
9. An Employee shall complete the Economic Interests Form once a year in accordance with the procedures specified in the internal regulatory documents of the Bank/ Group companies. The HR is responsible for organizing the process of form filling in the Bank.
10. It is the duty of an Employee to inform always his or her direct manager and CRMD/ Responsible Unit of a Group company about any facts and events that are or may be detrimental to the Group’s reputation and interests in order to reduce risks affecting the Group, especially operational and reputation risks which may have substantial negative impact on the Group's profitability and sustainability, leading to fines, costs of legal proceedings, restrictions imposed by the competent authorities, other financial and criminal sanctions, as well as loss of brand value and consumer confidence. An Employee shall also inform about his or her participation in public events/ activities where the general public could become aware that the Employee works in the Group.
11. The Standards are accepted by the Board of the Bank and approved by the Supervisory Board of the Bank.
12. The Bank regularly, but not less than once a year, evaluates compliance of the Standards with regular and planned development of the Group, and ensures its updating, if necessary.
13. The Standards take effect from the moment of approval and the internal regulatory document of the Bank ‘Corporate Values and Standards of Professional Conduct and Ethics’ approved on 28.03.2022. loses force upon approval hereof.
14. Compliance with the Standards in general is monitored by the Management Board of the Bank, HR, SD and CRMD. Overall control over compliance with the Standards is exercised by the Chairman of the Board of the Bank.
15. The Standards are binding upon all Employees.
16. In addition to the Standards, an Employee in his/ her actions shall also comply with the ethical codes of a relevant professional area of activity, which are developed and approved by external institutions, which bring together professionals of the relevant areas of activity[[1]](#footnote-2).

# III Standards Framework

1. The Group informs on a regular basis its Employees, customers and society overall about key events at the Group and the Group’s financial position insofar as such information is not in conflict with applicable external and internal regulations of the Bank/ Group, including confidentiality provisions.
2. The Group is neutral in its attitude towards political views and religious beliefs of people, it recognises the existence of different beliefs and the freedom of choice thereof insofar as they are not in conflict with external regulations.
3. The Group does not support any political activities of any Employee from its resources.
4. The Group creates the environment where equality and diversity are self-evident and differences are actively used to deliver business benefits. To promote diversity, the Group recognizes, supports and welcomes the different abilities, qualifications and life experience of its Employees. All Group Employees, regardless of language, age, gender, ethnic origin, religion or belief, sexual orientation, gender identity and gender expression or physical disabilities have similar opportunities in the Group and in career development. The Group meanwhile gains the opportunity to make use of Employees’ various experiences and competencies.
5. In case of non-compliance with the Standards, an Employee may be subject to disciplinary action.
6. The Group provides its Employees with the opportunity to report (whistle blow) actual or potential deficiencies in the internal control system, and with the opportunity to make proposals for their elimination and to report illegal or unethical transactions, including on situations of conflict of interest. The Group develops and documents relevant internal regulatory documents, acquaints the Group's Employees with the aforementioned internal regulatory documents.
7. The internal regulatory documents of the Bank/ Group companies are electronically available to the Employees in accordance with the access rights granted to the Employees, taking into account the level of classification of the respective documents.

# IV Corporate Values, Basic Principles of Professional Conduct and Ethics

1. *Excellence*
2. An Employee shall carry out his or her work in good faith, in a quality manner, with creative participation and efficiently by finding the best solution in each situation and in compliance with applicable external legislation and standards, internal regulations of the Bank/ Group company, and by observing the provisions for preserving the confidentiality of information about transactions and customers and trade secrets.
3. An Employee must ensure that any act and information done and provided by him or her is professional both in terms of its form and contents at all times:
   1. an Employee will show his or her self-initiative and make suggestions for the improvement of the work of his or her business unit;
   2. an Employee will constantly develop his or her expertise, professionalism and will strive to perform his or her job duties in the best way possible so as to ensure efficient work of the Group, an outstanding level of customer service and quality of services;
   3. an Employee will ensure that any solution offered to his or her customers, colleagues and co-operation partners is of the highest quality possible;
   4. an Employee will evaluate the risks that may exist at the time of making a decision, or when carrying out any of processes, or when communicating internally or externally, and will choose solutions that are focused on the Group's sustainable operations, rather than on profit or benefit in the short term.
4. An Employee shall show initiative, promote the enhancement and improvement of work processes.
5. In performing job duties, an Employee focuses on achieving results and adding value, rather than on performing formal job duties.
6. An Employee constantly improves his or her knowledge, follows the latest professional trends in his or her field, and attends training.
7. An Employee is not afraid of professional challenges.
8. *Partnership*
9. Open communication at all levels (both within the unit, between units and at the management level, as well as at the level of the company, partners and supervisory authorities) is one of the core values of the Group. The Group's management involves Employees at all levels in the development of processes and decision-making, while ensuring the balance of business and risk Employees and the opportunity to express their opinions.
10. If problems arise, immediate detection and remediation are encouraged, focusing on the root cause of the problem. The Group is categorically against concealment of problems. An Employee is not only obliged to report problems (for example, operational risk incidents), but also has the opportunity to report them through whistleblowing channels.
11. An Employee’s activity in his or her relations with customers and business partners will contribute to the formation of confidence in customers and partners about the Group’s stability, consistency, honesty and interest in co-operation.
12. In his or her relationship with customers, an Employee shall respect and observe their wishes and interests. In their daily work and when communicating with existing or potential customers, Employees shall follow the basic principles of protection of customer’s interests.
13. When providing information to existing or potential customers, an Employee shall ensure that it is clear, accurate, true and complete (all significant risks are disclosed to the client), as well as the information provided is not misleading.
14. In ensuring the management of conflict of interest situations in the Group, the Group shall take appropriate organizational and administrative measures that prevent the adverse effects of the interests of existing or potential customers.
15. In maintaining mutual relations with the staff of any other institutions/ organisations an Employee shall contribute to the formation of a positive reputation of the Group and avoid any activities which may be viewed as negative.
16. Every Employee shall involve in achievement of the objectives set by the Group and contribute to team co-operation based on respect, openness, loyalty, trust and preventing any acts of discrimination because of different characteristics, such as ethnicity, race, gender, religion, age, appearance, social status and political beliefs.
17. An Employee shall treat his or her colleagues, co-operation partners and any customer/ potential customer in a favourable and tolerant (respectful) manner regardless of their financial standing, social status, type of the service or product used, transaction amount, or personal views of the Employee about the existing or potential customer.
18. An Employee shall co-operate with his or her colleagues in providing and receiving help required for the performance of one’s professional duties without abusing the trust, ignorance or mistakes of his or her colleagues. An Employee will not tolerate humiliation and derogatory attitude towards his or her colleagues. An Employee will draw attention to any mistakes by others in the work process by addressing the person (colleague) concerned.
19. An Employee will not initiate conflicts; however, where conflicts do occur, they will be handled by way of constructive co - operation. An Employee will respect the fact that everyone is entitled to their personal opinion, will take the opinion of other people into account without personal offence.
20. *Commitment*
21. All activities of the Group shall be performed in accordance with the applicable legislation and the corporate values of the Group. The Group expects the Employee, in addition to complying with laws, regulations and the Group's internal regulations, to behave with dignity and integrity and to perform his or her duties with due skill, care and diligence, being aware of the risks associated with his or her activities and not exceeding the Group's defined risk appetite and other restrictions set by the Group, as well as acting within the limits of his or her job duties.
22. In his or her work an Employee will follow formal business etiquette, will be careful in selecting the style of communication, and will not use any words and gestures/ clues that are in conflict with business etiquette or may offend the self - esteem of other persons.
23. In his or her activities outside the working hours and in social networks an Employee will adopt a style of behaviour/ activity that is in conformity with generally accepted norms of behaviour/ activity and do not harm the reputation of the Group.
24. An Employee not to take part in any events that may have a negative effect on the Group’s operation or harm the Group’s reputation.
25. An Employee will use the Group’s property rationally and economically and will prevent other persons from using it against the Group’s interests.
26. In taking his or her decisions an Employee will take account of objective and verified information only, based on the facts and evidence obtained, will be objective in his or her judgments, decisions and activity in accordance with applicable external regulations and/ or internal regulations of the Bank/ Group company developed on their basis, including the Standards. An Employee will avoid any activities which may be regarded as negative.
27. Employees will be obliged to comply with the requirements of the internal regulatory document of the Group ‘Policy on the Management of Conflict of Interest Situations’ and to avoid or prevent situations where the personal or financial interests of an Employee, his or her family members or business partners come or may come in conflict with the interests of the Group during the performance of the Employee’s job duties, adoption of decisions or participation in decision - making processes, or performance of any other activities related to his or her position.
28. While being in employment relation with another Employer, an Employee shall comply with the basic principles and ethical norms predefined by the Standards.
29. An Employee will be self - sufficient and independent in the performance of his or her job duties, will leave aside his or her personal interests and stay clear of any external influences (any interests of other natural persons and legal entities, associations of persons, political, religious or social groups).
30. The involvement of an Employee in political and social activities should not interfere with the performance of his or her job duties. It is prohibited for an Employee to use the Group’s name and resources in any political and/or social activities and to use his or her position at the Group to influence political views of other Employees.
31. In relations with the mass media an Employee will observe subordination and will co - ordinate the provision of any information with the management of the Group.
32. An Employee will comply with the requirements/ provisions of the Competition Law, and shall not disseminate untrue and derogatory information about the competitors in connection with building the Group’s image or for any other purposes.
33. Achieving a result is not possible without making mistakes. If errors occur, the Employee acknowledges them and takes measures to prevent their recurrence in the future.
34. An Employee observes the deadlines set for the performance of work, plans his or her time in such a manner as to ensure that the work is performed to a high standard and without delay.
35. The Group, when planning its operational objectives, adequately plans the personnel resources, their workload and professional competences, as well as strives to ensure the life balance of the personnel.

# V Risk Culture

1. The Group ensures a comprehensive risk culture of the Group, which promotes the implementation of effective risk management processes, taking into account the Group's development strategy, including risk strategy. The development of a risk culture involves:
   1. drafting the relevant internal regulations of the Group, which, taking into account the Group's core values, comply with the position of the Supervisory Board and the Management Board of the Bank and the Group companies in relation to actions expected of Employees and officials of the Group in ensuring risk management processes;
   2. provision of information to Employees and officials whose job duties include taking risks on behalf of the Group about their role and responsibilities in performing their respective duties;
   3. ensuring effective communication within the Group, which facilitates the critical evaluation of opinions provided in the field of risk management;
   4. ensuring activities related to risk-taking, compliance with the Group's risk profile, long-term interests and the Group's objectives.
2. A high risk management culture is one of the most important principles of corporate governance, as an in-depth understanding of risk ensures adequate/ correct behaviour and conduct of Employees and, as a result, the sustainable development of the Group.
3. In order to ensure that Employees have a sufficient understanding of the risks associated with the Group's operations and how the risks may affect the Group's operations, the Group's management determine the risk appetite, develop relevant internal regulations, as well as through their actions set an example, support and motivate the principles of good conduct, promote open communication and cooperation, transparent operation, reporting and decision-making, and the balance between risk-taking, profit-making and the public interest.
4. In accordance with the Group's internal regulatory document ‘Internal Governance Policy’, the Group's risk culture is based on the following core principles:
   1. tone from the top: the top management of the Group is responsible for setting and communicating the Group’s core values and expectations to Employees. The behaviour of the top management should reflect the values being espoused. Employees should act in accordance with all applicable laws and regulations and promptly escalate observed non-compliance the Group. The management body of the Group on an ongoing basis promotes, monitors and assesses the risk culture of the Group; considers the impact of the risk culture on the financial stability, risk profile and robust governance of the Group; and makes changes where necessary;
   2. accountability: Employees at all levels know and understand the core values of the Group and, to the extent necessary for their role, its Risk Appetite and Risk Capacity and are capable of performing their roles and be aware that they will be held accountable for their actions in relation to the Group’s risk-taking behaviour;
   3. effective communication and challenge: a sound Risk Culture promotes an environment of open communication and effective challenge in which decision-making processes encourage a broad range of views, allow for testing of current practices, stimulate a constructive critical attitude among Employees, and promote an environment of open and constructive engagement throughout the entire organisation;
   4. incentives, which play a key role in aligning risk-taking behaviour with the Group’s risk profile and its long-term interest.

# VI Confidentiality

1. The Group will entrust an Employee with access to confidential information in accordance with his or her job duties. The Employee will treat the use, processing and storage of such information with care, comply with the internal regulations of the Bank/ Group companies concerning the classification and terms of use of the information, including working remotely.
2. An Employee will observe confidentiality with respect to any transactions by existing/ former customers of the Bank/ Group companies in accordance with applicable external and internal regulations.
3. An Employee is liable for any act/ omission on his or her part as a result of which confidential information has been disclosed to third parties, including his or her family members, friends and acquaintances as well as Employees who do not need such information for the performance of their job duties.
4. In a situation where the disclosure of confidential information is requested by law enforcement authorities, the Group will examine the grounds for such a request and will provide the information in accordance with laws and regulations.
5. Upon termination of their employment relation, Employees will be obliged to hand all documents/ records over to the Group and not to disclose any information of the Group containing trade secrets thereafter.

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1. ### For example, for Internal Auditor – Code of Ethics, developed and approved by [The Institute of Internal Auditors](https://na.theiia.org/standards-guidance/mandatory-guidance/Pages/Code-of-Ethics.aspx) etc.

   [↑](#footnote-ref-2)