

CODE OF CONDUCT

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1. Purpose

The purpose of the Code of Conduct is to present an overview of the conduct standards that we must all live up to as employees at Baltic Finance Service Group OÜ (hereinafter - BFSG) - in order to do the right thing for our customers, colleagues, and society. This is also to ensure that employees comply with the applicable laws, regulations, and internal standards.

2. Scope and Application

This Code of Conduct applies to all employees, all functions, all units and agents of BFSG.

All employees at BFSG are responsible for living up to the standards in this Code of Conduct and the policies and internal procedures relevant to their positions.

Managers are further responsible for determining whether there is a need for more detailed instructions or standard operating procedures within their organization to comply with this Code of Conduct.

3. Conduct Standards

3.1. *Anti-money laundering, counter terrorism financing, financial sanctions, and tax evasion*

To fulfill our ambition to drive positive impact in the society we are a part of and operate in, the BFSG must have mitigating measures in place in order to reduce the risk of misuse for financial crime purposes. Therefore, we shall as employees be vigilant of any unusual or suspicious customer activities in order to combat financial crime, including money laundering, terrorism financing, financial sanction breaches, and tax evasion.

Financial crime not only destroys the integrity of the financial institutions that are used to carry out criminal acts, it also negatively affects the society we live in, so we must take a proactive responsibility in order to mitigate the risk of misuse.

How we fight financial crime

If you experience any unusual or suspicious customer transactions or behavior during the course of your daily work, you should share your concerns with a colleague or Compliance officer.

The Compliance officer may determine that there is a need to escalate your findings to the Management Board.

Even if Compliance officer does not determine a need to file a report, you are encouraged to reach out to the Management Board if you are still in doubt, or if any customer transactions or behavior cause concern.

In addition, it is important to stress that we interpret tax laws with due respect to their intention, and we have an open and proactive dialogue with the tax authorities and financial crime preventing authorities. Therefore, doing the right thing for society also means that, even though it may be legal in some cases, you should never help customers take advantage of the tax regime.

3.2. *Anti-corruption and bribery*

Doing the right thing for society also means combating corruption and bribery. At BFSG, we condemn corruption and bribery in all its forms, and we have a zero-tolerance policy against bribery and corruption internally at BFSG, and in our interactions with our customers and our external partners.

How we combat corruption

To combat corruption and bribery, we follow these principles:

- We do not accept or solicit any bribes in any form;
- We do not make, and will not accept, facilitation payments;
- We do not offer, promise or give a financial or other advantage;
- We do not give or receive gifts above token value; and
- We will avoid any conflict - real or potential - between our personal interests and the interests of BFSG.

3.3. Gifts and hospitality

From time to time, in the normal course of business, gifts and hospitality are sometimes exchanged. However, we must exercise caution and apply sound judgment when giving and receiving gifts and hospitality to make sure that we do the right thing and protect the integrity and transparency of our business relationships.

As part of preventing or managing conflicts of interest arising from gifts and hospitality, BFSG has a clear set of rules that apply to all employees for giving and receiving gifts and hospitality.

How we protect our integrity

If you are in a position of giving or receiving a gift or hospitality, you should assess whether a gift or hospitality is reasonable, appropriate and justifiable - taking into account, among others, the value, nature and timing of the gift or hospitality, and the presumed intentions.

3.4. Conflicts of interest

Acting with integrity matters for all employees in BFSG. As employees, we must protect our integrity by identifying and mitigating all potential conflicts of interest. A conflict of interest may arise where an employee has competing interests or competing loyalties to secure one outcome at the expense of another.

How we avoid conflicts of interest

The first step in being able to protect BFSG and its customers from being adversely affected by a conflict of interest is to understand what a conflict of interest is. To identify a conflict of interest, consideration should be given to whether the matter involves BFSG or a person linked to it, including its employees. The *Conflicts of Interest Policy* includes guidance on how to identify conflicts of interest, what should be considered, and the general situations from which conflicts of interest are likely to arise.

You should take care to identify and disclose any personal interests that may compromise your impartiality, or otherwise raise doubts about your ability to remain objective. You should also disclose any personal interests, which may be in conflict with the interests of BFSG.

If you face a potential conflict of interest, you should consult the Compliance officer.

3.5. Inheritance from customers

Protecting our integrity and professional objectivity also means that, as a rule, any form of inheritance from a customer should not be accepted.

An exception applies where an employee, by law, inherits from family members who were previously customers of the bank. Under exceptional circumstances, employees may be able to

accept an inheritance from a customer where there has been no prior professional relationship between the customer and the employee.

For more information, please consult the Compliance Officer for advice.

3.6. Data protection and confidentiality

Doing the right thing for our customers, colleagues and society also means safeguarding the personal, private, and confidential information that we process. This applies regardless of whether the information has been obtained from customers, employees, external partners, associates, suppliers, authorities, or other sources within BFSG.

How we protect data and confidentiality

To protect the personal, private, and confidential information that you process, you should never disclose it to other employees who do not have a legitimate work-related need for the information. In addition, you should only disclose such information to external parties by adhering to the applicable banking secrecy legislation, data protection regulation, and any other relevant laws and regulations pertaining to information security.

3.7. Insider information and market manipulation

In order to support fair and well-functioning markets, we, as employees, have a responsibility to prevent market abuse. Market abuse covers insider dealing and market manipulation.

Insider dealing (or 'insider trading') involves the buying or selling (or amending of an existing order) of shares or other financial instruments by someone that has information that is not publicly available but is likely to have an impact on the price of that financial instrument when it becomes public.

A multitude of behaviors that can amount to market manipulation generally comprise of activities designed to create a false or misleading impression in the market place e.g. relating to the price, demand, or supply of a financial instrument.

Insider dealing and market manipulation are both criminal offences and undermine the transparency and integrity of financial markets.

How we prevent market abuse

You should inform the Compliance Officer of any orders and transactions - including any cancellations or modifications of orders - that you reasonably suspect could constitute insider dealing, market manipulation, or an attempt to commit insider dealing or market manipulation.

3.8. Whistleblowing

Being compliant is everybody's responsibility, as it takes a collaborative effort to be compliant. Therefore, BFSG encourages all employees to share any concerns of irregularities, criminal offences, and suspicions of non-compliance with the applicable laws, regulations, and internal standards.

How to share your concerns

You are encouraged to share your concerns with the Compliance officer at all times. However, if you wish to remain anonymous, or if there are other reasons for not sharing your concerns using

other communication channels, the whistleblower system provides a confidential channel for you to contact the Management Board.

The type of issues that can be reported through the whistleblower system include the following: (potential) breaches of laws and regulations, fraud and false documentation, material violations of workplace safety, material violations of environmental rules, physical violence, sexual harassment, and other wrongdoings.

3.9. *Remuneration*

The *Remuneration Policy* of BFSG focuses on ensuring that we are able to attract, develop, and retain high-performing and motivated employees. Further, our Remuneration Policy is aligned with our business strategy, core values, key priorities and long-term goals.

The Remuneration Policy rewards and drives the right employee behavior and performance, and as such, we ensure that no discriminating factors have any bearing on our remuneration structure.

3.10. *Human rights*

To do the right thing for our customers, colleagues, and society also means to promote equal opportunity and equal treatment for all.

As a signatory to the UN Guiding Principles on Human Rights and Business, BFSG is committed to respecting human rights. We have a zero tolerance policy against all forms of discrimination, disrespectful behavior, bullying, and harassment of any kind towards employees, customers, business partners, or any other persons connected to BFSG.

Discriminatory behavior that is based on "discriminating factors" such as a person's race, ethnicity, political or religious belief, disability, health status, gender, age, or sexual orientation, among others, will not be tolerated. Furthermore, we do not tolerate human trafficking, or any type of forced labor instituted against an employee's will or choice.

How we promote human rights

BFSG always promotes equal opportunity and treatment and encourages our employees to share their concerns if they experience any form of discriminating or disrespectful behavior.

3.11. *Personal finances*

To protect our integrity as a financial institution, it is important that we all manage our personal finances in a responsible manner and avoid engaging in risky transactions.

How to manage your personal finances

You should organize your finances in such a way that an overdraft on your accounts, including your pension accounts, do not occur. If you have any concerns about the state of your personal finances, you should always share your concerns with your local branch and seek financial advice.

Furthermore, you must avoid engaging in any outside business activity, which may create a conflict of interest, a perception of impropriety, or carries a risk of jeopardizing our integrity or reputation.

If you are interested in engaging in any outside business activity, external activities or external assignments, you should first seek prior written approval from your HR officer. You should ensure

that any approved external assignments will not affect your work performance or will otherwise be disadvantageous to BFSG.

It is also important that you inform HR officer of any changes in the previously disclosed and approved outside business activity.

3.12. Conduct in customer interactions

We work every day to do the right thing for our customers and protect their interests. Our approach to customer satisfaction is driven by an ambition to create value for all of our customers and stakeholders.

How we do the right thing for our customers

You must always act in the best interest of our customers, and provide them with the products, services and advice deemed appropriate and suitable to them based on their specific situation. All communication with our customers, regardless of the channel and the target group, should be fair, open, truthful and unambiguous.

Correspondingly, it is essential that you manage any arising complaints from our existing and potential customers in a fair, prompt, transparent, and effective manner and in accordance with the applicable laws, regulations, and the internal procedures of the handling of customers in general.

4. Violation of the Code of Conduct

The failure to comply with the Code of Conduct is a serious violation and may lead to action being taken against you in accordance with the applicable employment regulation, including but not limited to warning, redundancy, suspension or dismissal.

An infringement of the legal standards in relation to criminal offences may lead to personal liability and the relevant authorities being contacted.

If employees are unsure about the expected conduct standards, they should always discuss them openly with the Compliance Officer.

Monitoring of compliance with the Code of Conduct will be performed on a risk-based approach and material findings and issues will be reported to the Management Board of BFSG.

5. Escalation

Being compliant takes a collaborative effort. Consequently, to be compliant is everybody's responsibility. It is important to work together and help each other. Therefore, it is important that you take action and share your concerns if you see something that does not seem right.

Some cases are potentially so problematic that they must be escalated right away. In such situations, it is particularly important that you take responsibility for doing the right thing and share your concerns.

How to escalate a potentially problematic case

A fitting first step is always to share your concerns with the Compliance officer, and you are encouraged to do so at all times.

6. Review

This Code of Conduct is managed and reviewed annually by the Compliance officer and approved by the Management Board.

7. Contacts

Position	Name	E-Mail
Compliance officer	Alina Zerchaninova	compliance@bfsgroup.ee
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General channel		info@bfsgroup.ee