



# **Code of Ethics and Conduct of the BT Financial Group**

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# Code of Ethics and Conduct of BT Financial Group

## Terms

**Employees of BT Financial Group** - persons having individual employment contracts with a company in the group, whether the contract is for a determined or undetermined period; for the purpose of this document, the category of employees includes temporary work agencies and employees with terminated employment contract.

**Conflict of interest** – situation or circumstance where personal interests, either direct or indirect, of employees or members of the management body is in conflict with the interest of the institution so that it affects or may affect their independence and impartiality in decision-making or in timely and objectively fulfilling their specific duties.

**Personal interest** - any advantage, either direct or indirect, for employees/members of the management, for their life partners and relatives up to second degree, as for and entities having direct or indirect interests.

**Management body** - management or leadership body of an institution established under the constitutive documents that are empowered to determine the strategy, objectives and the overall policy of the organization, overseeing and monitoring the decision-making process and including persons who effectively manage the business; such a body includes leaders (CEO and Deputy CEO) and members of the Board of Directors of the company.

**Non-arm's length transaction** - any transaction which is carried by parties representing different economic interests.

## 1. Identity of the BT Financial Group. Mission statement

The BT Financial Group, hereinafter “the Group”, with Banca Transilvania as its core entity, whose history began in Cluj-Napoca in 1994 at the initiative of several businessmen in Cluj. The idea was to create a local bank, a Cluj brand.

The founders’ entrepreneurial spirit determined the bank’s consolidation in Cluj as the first step and thereafter at regional and national level. At the beginning the Bank focused on the SME sector and in order to meet the market needs, soon it began to be focused on retail. In 1997, Banca Transilvania became the first bank in Romania to be listed on the Bucharest Stock Exchange.

	Entity	Business area
1	Banca Transilvania S.A.	Other monetary intermediation activities
2	Victoriabank S.A.	Other monetary intermediation activities
3	BT Leasing Transilvania IFN S.A	Financial leasing
4	BT Capital Partners S.A.	Intermediation activities of financial transactions
5	BT Direct IFN S.A.	Other lending activities (Consumer Credit)
6	BT Asset Management SAI SA	Other financial intermediations nca (Undertakings for collective investment in transferable securities as well as other undertakings for collective investments)
7	BT Leasing MD (Moldova) S.R.L.	Financial Leasing
8	BT Microfinantare IFN SA	Other lending activities - microfinance, discount, other forms of credit
9	Improvement Credit Collection SRL	Activities of collecting agencies and credit reporting offices
10	BT Pension - Optional Pension Fund Management Company S.A.	Activities of pension funds (except those in the public social security system)
11	BT Building SRL	Renting and subleasing of own or rented real estate
12	BT Investments SRL	Activities auxiliary to financial service, except insurance and pension funding (Consultancy on capital structure, business strategy and other related matters)
13	BT Solution Agent de Asigurare SRL	Insurance and pension auxiliary activities
14	BT Safe Agent de Asigurare S.R.L.	Insurance and pension auxiliary activities
15	BT Insurance Agent Intermediation	Insurance and pension auxiliary activities
16	BT Asiom Agent de Asigurare SRL	Insurance and pension auxiliary activities
17	VB Investment Holding B.V.	Holdings activities
18	Timesafe SRL	Custom software development activities (customer orientation)

Note: if a new entity is founded in the BT Group, the above table will be updated at the first review of this document

**BT Financial Group's mission is to support business growth through innovative products and services offered with professionalism.**

The role of the **Code of Ethics and Conduct of BT Financial Group**, hereinafter referred to as the "Code" is to communicate to all stakeholders (shareholders, managers, employees, customers, partners, other parties) its values and principles to which employees and members of the body management of companies within the group have adhered.

At the same time, this document represents a conduct guide in daily activity or in special situations, dedicated to the employees of BT Financial Group and the members of the Management Board of the companies in the group with the purpose to present a comprehensive set of rules or exhaustive guidelines of misconduct, but not to provide solutions to different situations. The code provides guidelines and minimum standards, functioning as work ethics basis for the employees of the BT Financial Group (in the acceptance of this document, when we refer to the employees of the companies within the group, we have in mind both the employees and the members of the Management Body within each entity).

This document complies with the high quality ethical and professional standards promoted at the level of institutions in the banking financial system through guidelines and codes developed by professional associations in which companies in the BT Financial Group are party, such as the Principles of Good Banking Practice and Banking Conduct in the Relationship with Consumer Debtors faced with situations of Payment Difficulty or representing a Social Case, Guide on compliance with competition rules, Code of Conduct - developed by the Romanian Association of Banks, Code developed by "ACI Romania - Financial Markets Association" etc.

## **2. The fundamental principles and values of BT Financial Group**

**The fundamental principles** that the BT Group's employees must respect in their professional relationships with clients or authorities and with the employees of other credit institutions or other employees are as follows:

- **Moral integrity**, employees in the companies within the group have an obligation to act fairly and honestly in professional and business relationships, being **prohibited to solicit or to accept, directly or indirectly, for themselves or others, any advantage or benefit in consideration of the position they hold or to abuse of it in any way**;
- **Impartiality and non-discrimination** - employees are required to have an objective attitude, neutral to any political, economic, religious interest or in other nature in performing their duties;
- **Professionalism and transparency** - employees are required to perform their duties with responsibility, competence, efficiency, fairness, clarity and consciousness by:
  - maintaining professional knowledge and skills at a high level for clients to receive professional and high-quality data and information about products and services offered by the companies in the group;
  - acting with prudence and in line with the bank's and legal regulations in force when clients are offered products and services by the companies in the group;

- referring to the hierarchical superior if the assigned tasks exceed their competence.
- **Compliance with legislation** - BT Group's employees shall comply with the law applicable to their work and internal regulations;
- **Confidentiality** - BT Group's employees must not communicate confidential information about facts, data and activities as well as any facts, data or information regarding the person, property, work, personal or business relationships with clients to persons not authorized to receive such information. The BT Group's employees are bound to keep professional secrecy about any information or data not intended for publication, which was brought to their knowledge in performing their duties and shall not use such information for personal benefit, any deviation being punished under the law and internal rules.

Persons who are not employees of BT Group, but are entitled to request and to receive information and data in the nature of professional secrecy are bound to keep their confidentiality and may use them only for the purposes for which they are requested or provided under the law or agreements.

- **Preventing and combating corruption, money laundering and financing of terrorism** by applying standard and additional customer knowledge measures for the entire client portfolio, reporting any transactions that may be related to them to the competent authorities and avoiding the completion of such transactions, in accordance with legal provisions and internal regulations;
- **BT Group's employees must be prudent** in carrying financial transactions by responsibly managing the Group's own resources and providing correct information to clients about the products and services offered by the Group;
- **Social responsibility** - involvement in solving various social problems, protection of environment, education of the population in the financial sector and supporting the promotion and implementation of humanitarian initiatives;
- **Avoidance of denigration** - BT Group's employees shall exercise their duties in good faith, respecting the interests of the involved parties and the requirements of fair competition on arm's length basis;
- **Respecting the culture of the organization regarding the risks** belongs to all the employees within the group by knowing the norms and the conduct of the institution in connection with the awareness, the assumption and the administration of the risks as well as of the control mechanisms. The risk culture influences the decisions of the management body and employees in the course of their day-to-day operations and has an impact on the risks they take.
- **Compliance with all provisions in the Code of ethics and conduct by all BT Group employees** by taking responsibility, understanding and reporting any activities likely to violate the provisions herein.
- **Protection of the BT Group's reputation** - every employee has the obligation to protect the reputation and the image of the Group and all its representatives. Any statement or action of an employee

that results in damaging the reputation or the image of the Group or its representatives will be sanctioned.

### **3. Area of application**

The provisions of this Code refer to relations among companies in the Group and their employees, on the one hand and other interested parties, as follows:

#### **3.1. Relations between companies in the BT Financial Group and their clients**

The employees of the BT Financial Group shall observe the constitutional principle of equality of citizens before the law and public authorities, without privileges and discrimination and shall provide quality products and services to clients, ensuring fair treatment of all clients according to the applicable law and internal regulations.

The companies in the BT Financial Group will ensure that the information provided through advertising is real, adequate, current, comprehensible, that an accurate picture of the services / products is offered and is not likely to mislead the customer.

When financial products and services are requested by clients and during the development client relationships, the group employees will present all the features, terms and costs of products and services, as well as the associated risks in a transparent manner (comprehensible, clear terms understood by the customer) and in good faith.

When providing information about the products and services offered, priority will always be given to customer interests.

Employees of the Group will avoid offering products or services that are inappropriate from risk profile or customer characteristics perspective, by deploying all necessary diligence to provide customized and appropriate advice to each customer.

#### **General principles of conduct in the field of investment activity and financial instruments**

In order to ensure the high degree of protection of the clients in the field of services and financial instruments MiFID, the BT Financial Group employees will observe the following three general principles:

- to act honestly, fairly and professionally, in accordance with the best interest of the client;
- to provide the customer with adequate and comprehensive information that is accurate, clear and not misleading;
- to provide services that take into account the investor's profile and requirements



## Principles for the creation and distribution of MiFID financial products/services

The BT Financial Group, namely the departments / departments that create investment products and services, must ensure that the following principles are followed:

- Products and financial services are designed to meet the needs of an identified target market within the relevant customer categories;
- The distribution strategy is according to the target market identified;
- The products / services offered / promoted are understandable;
- Assessing the compatibility of products and services with the needs of customers on the identified target market (profiling / suitability testing);
- Products and financial services are offered / promoted only in the interest of the client;
- Information provided to clients or prospective clients is accurate, clear and not misleading.
- It is forbidden to promote financial MiFID products / instruments through call-center services.

Any change in the contractual terms for goods and services benefiting clients and will be subject to informing them and obtaining their consent in line with legal and internal regulations.

By applying the principle of prudence, the companies in the group shall take appropriate measures to identify correctly and completely their clients, not accepting to enter into business relationship with a client until the verification procedures are completed.

The companies in the BT Financial Group will treat in a transparent, impartial and objective manner any complaint received from customers about the products or services offered and will do their utmost to ensure that it is resolved within a reasonable time. If for objective reasons this will not be possible, companies will ensure that the customer is informed of possible delays.

If a situation arises that may lead to a conflict, employees will take reasonable steps to settle the dispute amicably. If those steps do not work, to the extent that the circumstances of the dispute allow, in the case of banks customers, consumers in accordance with the legislation in force, they will be informed about the opportunity to address the Alternative Banking Dispute Resolution Centre.

Regarding the relationship between companies within the BT Financial Group (banks type) and their customers is necessary to also consider the difficulty of the customer's situation and its reimbursement capacity. It will work together with the customers in order to identify viable and appropriate solutions, in compliance with the loan agreement provisions, internal regulatory framework and applicable legislation. In this regard, at the level of the banking community, the Romanian Banking Association has developed a document - ***Principles of Good Banking Practices and Conduct of Banks in relations with debtors consumers facing difficulty paying situations or representing Social Cases***. Its content was inserted in the following chapter.



## **3.2. Principles of Good Banking Practices and Conduct of Banks in relations with debtors facing payment difficulty or representing welfare cases**

Starting from the principles listed below, the bank will perform a case by case analysis and will apply individual solutions, tailored for the specific circumstances of the debtor and in compliance with the legal provisions in force.

### **3.2.1 Terminology**

**Debtor** - means a consumer, a client of the bank, with one or more loans from the bank, and who in good faith showed his/hers availability (i) to provide the bank with documents and information proving the difficulty of payment or the fact that he/she represents a welfare case and (ii) to identify with the bank a suitable solution for his / her particular situation.

**Difficulty of payment** - states the situation of a debtor who has a significantly depreciated financial standing as compared to the moment of agreement signing/loan agreements and does not own sufficient assets necessary to reimburse the loan/loans without intervening a severe deterioration of his/hers life conditions and of his/hers family members. Such a deterioration can be generated, for example, by loss of workplace, or significant diminishment of incomes and/or simultaneous increase of payment obligations related to the loans (due to FX fluctuations, interest rate)

**Welfare case** - states the situation of those debtors, defined as such in the bank's internal regulations, who are incapable of paying or with an imminent threat of payment difficulties, due to exceptional events at personal/financial level, both in the case of the debtor, and/or in the case of a family member (e.g. demise, serious or incurable illness, partial or total loss of work capacity) with such severity, that the bank, in accordance with its internal rules, may adopt exceptional measures to support those Debtors.

### **3.2.2 Principles of conduct**

#### **■ Payment difficulty cases**

As concerns the relationship with the to debtors, the bank will consider, while dealing with payment difficulties, the principles of conduct outlined below, specifying that, depending on the principles of each credit institution, they may extend such principles, but are not limited to the latter.

#### **Implementing preventive measures such as:**

- identification of payment difficulty, in the shortest time possible, or the imminent threat of such payment difficulty.
- approach with the utmost rapidity and availability regarding abrupt situations with immediate impact on Debtor's repayment capacity;
- efficient cooperation with the debtor in various situations or stages of the credit agreement performance, to identifying reasonable solutions for both contracting parties, to prevent the accumulation of overdue payments or of prepayments and/or to stop the debt enforcement procedure, nevertheless reported in relationship with the repayment capacity - current and projected - of the debtor.

**Identifying and applying the best solutions for managing the debtor's specific situations:**

The bank will undertake a case-by-case analysis of individual cases and propose individual / customized solutions, specific for each circumstances of the Debtor.

The following will be considered:

- attentive, responsible and an open approach for each case of payment difficulty;
- the analysis of a large range of options to offer solutions for the debtor, taking into account the following aspects:
  - debtor's income and of the spouses, respectively their degree of certainty;
  - total indebtedness degree of the debtor and of his/hers family
  - debtor's assets and/or spouses, respectively the status/destination of immovable property;
  - debtor's status, such as marital status, or persons under maintenance
  - possible effects (e.g. additional costs) which the debtor must incur following or in connection with solution implementation (e.g. notary fees, costs of registering changes in the advertising registers);
  - the history of collaboration with the Borrower and its payment behavior;
  - the value and structure of guarantees;
  - information resulted following the verifications performed by the bank in the centralized data bases (e.g. Credit Bureau, Insolvency Bulletin, Recom, ANAF)
- applying solutions that are in line with the Bank's legal provisions and internal legal framework, viable and appropriate for the debtor, including solutions such as:
  - loan agreement extension;
  - changing the type of the loan agreement;
  - modifying the maturities of the debtor's payment obligations;
  - total or partial deferment of the payment obligation, for a certain period of time
  - adjustment of costs structures stipulated in the loan agreement for a certain period of time;
  - modifying the level and/or type of interest rate;
  - modifying the currency of the agreement, using the exchange rate from the date of the change;
  - consolidating several loan agreements;
  - granting directly to the debtor the selling right for the mortgaged property (voluntary sale), followed by total or partial prepayment of the loan secured with the respective asset, fully using the obtained funds, following asset capitalization - but within the total limit of the amounts due to the bank.

**Communication with the debtor will be:**

- proactive and accessible, both from the language and content point of view, and means of communication, during the entire period of the agreement
- In this respect:
  - The Bank will contact the debtor in the event of a delay of more than 30 days in order to identify the causes of the late payment and understand the debtor's specific situation;
    - to supply the complete information on the current situation of payments / delays, respectively the possible consequences linked with the persistence and / or amplification of payment delays;
    - to identify the best solution to reimburse the payment obligations / to offer support to the debtor, to avoid debt enforcement procedures.
  - The Bank will supply to the debtor, clearly and concisely the following:
    - information on the importance of the debtor's cooperation with the Bank to resolve the Payment Difficulty situation;

- information on the consequences of non-payment, including on the accumulation of penalty interest and the effects of declaring the prepayments, respectively the triggering of the debt enforcement procedures.
- information regarding the debtor's rights and obligations, as stipulated in the legal provisions in force and reflected in the documents provided to the bank.
- very detailed information regarding the solutions which need to be implemented to reimburse the payment obligations; offering support to the debtor for the total due value of the latter.
- adequate information, even for the cases in which the Bank mandates third parties to maintain the relationship with the debtor.

## ■ Welfare cases

The bank will consider the following principles of conduct for the welfare case:

### **Implementing the following measures:**

- cautious approach, accountability, availability and discretion for welfare case, as soon as the debtor reasonably informs the Bank of the severe situation in which he/she is or will be confronted;
- efficient cooperation with the debtor to document the exceptional situation in which he/or she is.

### **Identifying the best solutions for the welfare cases;**

The following will be considered:

- analyzing a wide range of options to support the debtor, taking into account the particularities of the welfare case and the concrete circumstances in which the debtor is finding himself/herself;
- implementing solutions that are in accordance with the legal, viable and appropriate provisions of the debtor, either one or more of the measures set out in point 2.1.2.2 above, or the application of exceptional measures, such as stopping / waiving calculating some credit costs or even reducing the debt.

### **Communication with the debtor will be:**

- proactive and accessible, both in terms of language and content;
- adequate and proportional with the need of information.

## **Responsible lending as a measure to prevent the payment difficulties situations**

In order to limit the consequences generated by the payment difficulties, both for the debtors and creditor, the bank will monitor the application of a responsible lending framework, comprising the following:

- to supply a product adequate for the profile of each debtor, both as structure and degree of complexity;
- to ensure an appropriate training of the staff, especially those interacting with the consumers, so that the communication with the latter to be:
  - as clear as possible, comprehensible and correct, including from the risk perspective and the benefits assumed by the consumers;
  - adequate, considering the individual circumstances of the consumers, his/hers rights and interests.
  - easy, including the understanding of technical terminology;

- proactive, including encouraging debtor to carefully calculate his/hers budget and to be fully and accurately informed about all the loan features which will be committed, the costs, risks and benefits, so as to analyze whether the loan is really necessary and if he/she manages, in the long run, to reimburse the loan.
- to properly inform the debtor, from the pre-contractual stage, regarding:
  - the rights and obligations arising from this loan agreement
  - the risks assumed by the debtor by signing the loan agreement, including:
    - interest fluctuations;
    - FX rates fluctuations;
    - loss of work place;
    - diminishment of family incomes;
- advertising campaigns for the credit products using a language that is as clear and easy to understand, to avoid creating unjustified consumer expectations;
- informing the debtor, during the course of the contract, regarding the modification of any relevant elements related to the performance of the loan, in accordance with applicable legal and / or contractual requirements;
- encouraging the consumer to have a strong planning of his/hers financial standing

### **3.2.3 Collaboration with the debtor**

The effectiveness of bank' efforts to manage the payment difficulties and welfare cases situations is largely influenced by the quality of the cooperation with the debtors.

In order to successfully manage the payment difficulties and welfare cases, the debtors are encouraged to proactively address situations / changes in the life situation he/she is facing, to respond promptly to the bank's requests, in particular, as regards the provision of relevant and fair information to resolve the case, including information about his/hers financial situation, and show openness to discuss the various solutions proposed by the bank.

At the same time, whenever a debtor considers that the information received from the Bank is unclear or ambiguous or that the bank's solutions and / or recommendations do not respond to its specific situation, he/she is encouraged to request clarification from the bank's staff or from a specialized third party, including from the consumer protection associations.

Also, to the extent that a debtor considers appropriate, he/she may address the Alternative Banking Dispute Resolution Centre ([www.csalb.ro](http://www.csalb.ro)), so that an independent and impartial conciliator, analyzing the interests, requirements and points of view on both sides, try to identify a mutually acceptable solution for both the debtor and the bank.

A debtor in an payment difficulty case or representing a welfare case may also revert to applying for the opening of insolvency proceedings to individuals, a procedure that seeks to provide a chance to good faith debtors to recover his/hers financial standing and to support him/her to redress from the insolvency procedure.

However, the effectiveness of any solution to efficiently manage the payment difficulties and / or welfare cases situations depends on the degree of collaboration and availability of the parties, in identifying and implementing such a solution.

### **3.3. Relations between companies in the BT Financial Group and authorities**

The relations between companies in the Group and authorities are governed by the following principles:

- ensuring, in accordance with applicable legal provisions, a proper collaboration with the authorities in order to develop a credible and solid banking system, based on professionalism and efficiency;
- complying with legal regulations and applying them properly, according to the authorizations issued by the competent institutions in Romania and by states which hosting companies/branches of companies in BT Financial Group;
- observing ethical principles in dealing with officials and public authorities;
- providing the necessary exchange of information between companies within the group, which will be designed exclusively to fulfil their duties both of the group companies and the authorities, under the law;
- requesting and transmitting information between companies within the group and authorities will be in compliance with legal provisions on professional secrecy, in an official manner, in writing, to be recorded by both sides, taking into account that the information must be complete and correct in the terms stipulated by law - with the exception of “spot” controls carried out according to the law, authorities / institutions.

### **3.4. Relations between companies in the BT Financial Group and financial institutions**

The companies in the BT Financial Group and its employees will exercise in good faith and respecting the interests of all credit institutions and the fair competition requirements, a fair and responsible advertising, professional solidarity and mutual respect ensuring legality in arrangements.

The companies in the Group and its employees must not:

- get involved in understandings, agreements or practices that would have the effect of restricting or distorting competition and must not use abusively any dominant position on the banking market by resorting to anticompetitive acts that may prejudice the interests of competing banks;
- present incorrect and / or incomplete data and information about the Bank which is likely to mislead potentially interested customers;
- mislead by false statements a customer or a potential customer promising any compensation or other benefits or any exemption of fees in order to obtain agreement to initiate a contractual relationship, which subsequently may not be honoured;
- attract by aggressive offers employees from another competing credit institution to its detriment;
- attract clients from other credit institutions, either directly or through third parties, by using methods contrary to customary and honest practices;
- disclose, acquire or use confidential information without the consent of the legitimate owner and in a manner contrary to honest practices;
- communicate or spread public statements about the Bank's business likely to create a favourable situation at the expense of a competing credit institution by using techniques contrary to law;

- communicate or disseminate deliberately tendentious statements concerning a competing credit institution or its services, statements detrimental to the operations of a competing credit institution;
- offer, promise or pay - directly or indirectly - gifts or other benefits to employees of other credit institutions to obtain confidential information or internal regulations in order to know or use the competitor's customers or to obtain other benefits for it or another person at the expense of a competitor.
- attract clients of a competing financial institution by the misuse of links established with these clients when previously being employed by that institution.

### **3.5. The relationship between the BT Financial Group's companies and its employees**

The relationship between the BT Financial Group's companies and its employees is based on professionalism and respect.

The Group's employees will behave in a professional manner to customers and must be loyal to their employer.

In this regard, the BT Financial Group's employees must not:

- publicly express untrue opinions about the Group's business, policies and strategies;
- make unauthorized remarks in connection with pending litigations when the Group is a party in the dispute;
- disclose non-public information in circumstances other than those provided by law;
- disclose information to which they have access in exercising their duties, if such disclosure is likely to attract undue advantages or prejudice the rights or the image of any entity in the Group, other employees or customers;
- provide technical support and advice to individuals or businesses with the aim to file legal or other actions against the BT Financial Group;
- use the Group's resources and must not use their professional position to determine a political option or to influence any person's vote;
- transmit through various means and communication channels data and information about the activities of the Group, customers or the financial- banking system in general, without prior approval from the management of the company in the Group.

The Group's employees will protect the tangible and intangible assets of the Group.

The resources and the goods made available by the Group to its employees will be used only for the purposes for which they were allocated.

The Group's employees will comply with the above obligations even after terminating their work contract for an unlimited period, if legal provisions do not provide otherwise.

### **3.6 Relationship among employees of the Group**

The principle of respect for human dignity must be the basis of all relationships among the entire staff of the BT Financial Group, between hierarchical superiors and subordinates, between employees on the

same hierarchical level, between members of different departments and be manifest to all employees, to potential team members and to collaborators.

At all hierarchical levels, the BT Financial Group's employees must create and maintain professional and balanced work conditions in order to conduct activities in good and efficient conditions.

Acts of discrimination shall not be tolerated among employees, direct or indirect, on grounds of religion, race, ethnicity, gender or sexual orientation, social or ethnic origin, political options, disability, pregnancy, age, genetic characteristics, trade union membership or activity or any other reasons.

The BT Financial Group will take actions against any acts of indecency and sexual harassment or of any other nature which may affect human dignity, professional future, the prestige and image of its employees.

These principles should be observed both in relation with each employee throughout the employment period from recruitment to work contract termination, in appraisals and promotions, in training programs and in order to establish salaries or other benefits as well as other relationships that arise throughout the conduct of business.

During working hours, employees are prohibited to consume alcoholic beverages and illegal substances as well as to smoke in spaces other than those designated for that purpose.

#### **4. Human Resources policy. Organization's values. BT culture**

**The HR policy** of the entities in the BT Financial Group complies with the provisions of the Labour Code and is meant to ensure the employees' professional conduct to the highest standards. Moreover, the bank intends to ensure a work environment to meet the employees' expectations in terms of personal development, work procedures, team work, management, technology and personal security.

The companies in the BT Financial Group, also aim to provide continuous training and specialization of employees and members of the management body, in order to ensure an appropriate level of skills. Especially, they will ensure that employees who interact directly with customers have a solid financial education and know in detail the products and services that are offered to their clients in order to provide them with complete and accurate information in a professional manner.

**The key elements of such policy are based on the following core values of the Banca Transilvania brand: soul, energy, new ideas.**

#### **5. Integrity and avoiding conflicts of interest**

Conflicts of interest occur when there is an incompatibility between the position of an employee/manager in an entity of the BT Financial Group and its personal status, translated in any act or omission to act, which may affect the Group's reputation.



In order to avoid conflicts of interest, including situations likely to generate conflicts of interest the employees/managers in an entity of the BT Financial Group must observe the specific provisions in the regulatory framework of each company in the BT Financial Group.

Any employee / member of the management bodies of companies within the group having position of shareholder, partner or in consulting, management, leadership, management, service provision (in a company or any other entity aiming or not at making a profit) as well as concluding specific contracts with the credit institution in which he could have a direct or indirect personal interest shall comply with legal provisions and internal regulations of the companies within the BT Financial Group.

The BT Financial Group's employees may contribute financially and participate in the work of non-profit organizations (humanitarian associations, sporting, religious, cultural, scientific associations, etc.) in off-office hours, provided that the employee does not take the position of representing the BT Group and will not take any advantage arising from the position of Group employee/manager.

Engaging in any other remunerated activity based on an employment contract outside the companies within the group will be declared by the bank's employees / members of the Management Body of the companies within the BT Financial Group and will be approved according to the specific internal regulations. Individual conduct of such activities can only be done after hours, provided that the employee / member of the Management Body does not position himself in such situations as a representative of any company within the BT group in these relations and does not obtain benefits deriving from the quality of employee / member of the Management Body of the company within BT Financial Group.

Employees of the Financial Group BT who have access to inside information or other confidential customer information or transactions with or for customers as a result of an activity performed by that person on behalf of the firm will avoid any conflict-generating action.

Any employee of the Financial Group BT must not carry personal transactions that meets at least one of the following:

- the transaction involves the misuse or improper disclosure of the confidential information in question;
- the transaction is in conflict or could conflict with a legal obligation for the BT Financial Group;

Beyond the normal framework of employment relationships or service contract, the employees of the BT Financial Group does not provide advice or advice to another person to engage in a transaction in financial instruments that, if it were a personal transaction to the relevant person, would violate specific legal restrictions .

#### **Situations of Conflicts of Interest that may arise when offering/intermediating services and financial instruments:**

- the Group or its employees can earn a financial gain or avoid a financial loss at the client's expense;
- the group or its employees has an interest in the outcome of the service provided to the client or the transaction made on behalf of the client, which is different from the customer's interest in that result;
- the group or its employees is financially or otherwise to favor the interest of another customer or group of clients, to the detriment of the client's dealings for which he / she carries out transactions;
- The group or its employees performs the same activity as the client;

- The group or employee receives or will receive from a person other than the client an incentive in relation to the service provided to the client in the form of monetary or non-monetary benefits for the specific service to be performed.

Cases of incompatibility and conflict of interest should be avoided by members of the governing body and key persons within the BT Financial Group and by any employee who may be in this situation.

If the organizational or administrative measures adopted by BT Financial Group to prevent a particular situation where conflicts of interest adversely affect the client's interests are not sufficient to ensure, with reasonable certainty, that the risk of affecting the interests of clients will be avoided, they shall be informed before acting on their behalf in relation to the general nature and / or sources of conflicts of interest and the measures taken to mitigate those risks.

Conflicts of interest may not always be obvious so, if employees have any questions, they should consult with their supervisor or may contact the relevant department of the entity in order to settle such situations, determining if there is a conflict of interests and, if it exists, how to resolve it without compromising the interests of the BT Group.

At the same time, the employees within the BT Financial Group have the obligation to communicate to the direct superior / compliance officer / management of the entity, all situations of conflict of interest of which they are aware, existing or potential, which refer to other employees / managers of the entity or their self (if these situations cannot be included in an existing category in the application of conflicts of interest). This reporting must be made as soon as such a situation is reached or such information is known.

## **6. Behaviour of employees /members of the Management Board**

Employees and members of the management body of companies within the BT Financial Group will permanently have a correct and honest behaviour in relationship with clients and colleagues or in relations with other persons and entities.

In order to adhere to the values described above, employees and members of the management body should observe the following **principles**:

- must not seek to obtain benefits or advantages arising from the position of a bank employee/manager;
- shall not take advantage of business opportunities that come to their knowledge in carrying their job duties;
- in providing any kind of service, the requirements linked to “budget” realization should not prevail over the interests of clients; also no abnormal pressure should be put on “budget” targets likely to lead to actions contrary to or inconsistent with the clients’ needs;
- shall not promote / conduct any business relationships with persons involved in criminal activities, such as arms trafficking, drug trafficking, money laundering, terrorism;
- shall not promote / conduct any business with people who are known not to be honourable, serious, trustworthy;

- not promote / conduct any business with people, even indirectly, having a behaviour contrary to freedom and individual personality and / or infringing or contributing to the violation of fundamental human rights (e.g. human trafficking and exploitation);
- shall not use for personal interest any professional relationships in order to establish business relationships in its own name or through family members or for the purchase of utilities, goods or services outside the normal conditions on the market.

## 7. Confidentiality of data

**Confidentiality** is the obligation incumbent on all employees / members of the Management Boards of the BT Financial Group, regardless of the position held and / or the place in which it operates (headquarters, branches, agencies, units, rep. offices) not to disclose to unauthorized persons information of a confidential nature about facts, data and information related to work as well as any facts, data or information regarding the person, property, work, business, personal or business relationships of the customers.

Each employee / member of the Management Boards of the BT Financial Group has the obligation to keep professional secrecy on any information or data not intended for the public that has come to his/her knowledge in the exercise of their duties and may not use such information for personal gains.

**Exceptions** to obligation to keep professional secrecy are the following cases:

- customers have given prior consent in writing;
- requests for information are received from competent authorities in order to fulfil their duties and comply with statutory requirements;
- disclosures are necessary to prevent or identify illegal activities.

Confidentiality must be kept in respect of information that is not public linked to the activity of the BT Financial Group companies, suppliers or employees or other internal information that is the property of the group companies, such as:

- details about the structure and the organization (shareholders, management, auditors, employees, customers, subsidiaries or partners / potential partners of the company);
- details of systems, machinery, business partners, special costs negotiated with various categories of customers, sales volume, profit or other aspects of a commercial nature, not available to the general public;
- information on products and services development (projections, budgets, projects under development) that are not intended for the general public;
- information derived from correspondence to or from the company, shareholders, members of the Management Board or employees of BT Financial Group companies;
- information that is subject to internal reporting;
- information in possession of the group companies through agreed communication channels that should be treated as confidential, unless otherwise specified;
- information that can be classified as public only by those in charge in the BT Financial Group companies;
- any document falling within the category of internal regulations.

All information of the kind described above that cannot be made public and cannot be transmitted in any way and whatever its support to the recipient / third parties other than:

- observing the company's rules or
- the persons entitled to have access to such information / documents in order and / or in connection with the conduct of the company's business, or
- in cases provided for by special laws (e.g. the disclosure of professional secrecy under the law, disclosure in the notes to the financial statements).

The confidential nature of the activities carried out by BT Financial Group companies requires the following rules to be observed by employees / members of management bodies of BT Financial Group companies meaning that they:

- must not disclose information about the business of companies in the BT Financial Group or their customers. Confidential information will be protected and may not be disclosed without intent by failure to apply security measures or by discussions with third parties, particularly in the case of facilities with open spaces;
- must not copy confidential information on paper, CD / DVD or store it with the intention to be disclosed;
- confidentiality of documents and information should be respected during the course of employment / term and after the termination of the individual employment contract / mandate for undetermined period;
- materials / documents no longer needed must be deleted and destructed prudently and in accordance with the internal rules of the company;
- fully respecting the safety rules, especially those of IT security by preventing unauthorized access or unauthorized distribution of information of a confidential nature.

## **8. Processing and protection of personal data**

Since a significant part of the information that BT Group companies use in their business is personal data, we are constantly concerned that they are processed in full compliance with the applicable legal provisions and with the highest standards of security and confidentiality.

Thus, within the BT Group, the processing of personal data is carried out in compliance with the principles provided by the specific legislation in the field:

- legally, fairly and transparently to the data subjects (the principle of "legality, equity and transparency"). In this respect, each BT Group company produces in clear, concise language, for the general public, information containing aspects related to the processing of personal data that it makes, which it brings to the attention of the persons concerned, as the case may be, through their display on the website and / or in the forms / contracts / notifications sent to them. Also, if the processing of personal data is based on the consent of the data subjects, it will be requested after prior information, according to the legal requirements;
- only for determined, explicit and legitimate purposes (the principle of "limitations related to purpose");
- personal data used in the BT Group's activities are suitable, relevant and limited to what is necessary in relation to the purposes for which they are processed (the principle of "minimizing data")
- BT Group companies ensure that the personal data they process are accurate and take steps to update them (the "accuracy" principle)

- stored in a form that allows the identification of the data subjects for a period that does not exceed the time required to fulfill the purposes for which the data is processed (the “storage related limitation” principle)
- processed in a way that ensures the proper security of personal data (the principle of “integrity and confidentiality”)

These principles apply in a non-discriminatory manner to the processing of personal data belonging to all categories of individuals, whether ordinary or occasional clients of BT Group companies, employees or members of the governing body of BT Group companies, contractual partners, visitors, etc.

## 9. Use of the BT Financial Group's property

Employees/managers of the BT Financial Group will not use the Group's services, resources and facilities for personal interest, nor will they encourage, support or allow other persons to do so. This includes but is not limited to office phones and/or mobile phones, fax and photocopy machines, computers, office supplies, e-mails, INTERNET etc.

When using the cars owned by companies within the BT Financial Group, employees / members of the management body will show civilized behaviour in traffic, both by respecting traffic rules and by operative intervention to limit any potential damage in case of accidents or avoid situations that could cause damage or injury to third parties.

Employees will not use the bank's name or any other of its resources to obtain advantages in personal transactions or external relations.

## 10. Compliance with competence limits

The leaders of the companies in the BT Financial Group will participate, based on competence limit, in the completion and implementation of an effective control system of the Company, communicating such competence to other people with whom they have work relations.

Also, persons designated in management or supervisory positions undertake to respect the limits of competence assigned individually or to committees to which they belong, throughout their mandate time.

Employees of the companies in the BT Financial Group have the **obligation**, subject to competence limits:

- to contribute to the proper functioning of the control system and to respect the culture of risks;
- to preserve the company assets, whether tangible or intangible that are used their work and not for inappropriate purposes;
- to fully respect the competence limits assigned individually or to committees to which they belong.

## 11. Observing international rules (sanctions)

The companies of the BT Financial Group must observe international requirements concerning embargoes and restrictions or penalties in the financial field. In sensitive cases more stringent rules will be applied according to specific internal regulations.

The companies in the group will not initiate / maintain business relationships with banks, financial institutions or customers who have no physical presence in any country (ex. “*Shell Banks*”) and will not provide anonymous accounts or other product that allows anonymity (savings books, anonymous safe deposit boxes).

## **12. Fraud prevention**

### **12.1. Bribery and influence peddling**

The companies of the BT Financial Group do not tolerate any form of bribery and / or corruption. No employee / member of the management body of a company in the group shall not accept and shall not offer any undue advantage of any kind (incentives), whether the person offering or requesting such an advantage is working in the public or private sectors. It is also prohibited to give or to receive any form of bribery or to practice influence peddling directly or through intermediaries.

Therefore, each of the following activities is strictly forbidden:

- Receiving money or favours from customers or third parties to fulfil job duties or to intervene with the employee / manager to do or not do something that is not within its job duties;
- Paying or offering a benefit violating laws or regulations;
- Paying or offering a benefit to “obtain” a deal

### **12.2. Payment facility**

Employees / members of the management body of the companies in the BT Financial Group shall not make any payment facility; facilitated payments are “payments of acceleration” or “extra fees” usually small sums of money, unofficially handed to civil servants in order to get emergency or postpone a routine action to which one has access under a legal right (e.g. issuing a permit, a license, consent or immigration visa, scheduling an inspection associated with contract performance, providing services or releasing goods held in customs).

### **12.3. Direct and indirect bribery through third parties**

Companies in the BT Financial Group will create a formalized framework for selecting suppliers, collaborators, brokers, advisors, intermediaries and all other third parties acting on behalf of the companies in the group and companies supporting the group business.

In selecting third party collaborators attention will be given only to collaboration with entities assuming the principles herein to be adequately monitored in accordance with applicable internal procedures.

## **13. Political activities (benefits to political parties and publicly exposed persons)**

The companies of the BT Financial Group **will avoid any involvement in the political field** in the normal course of business. Also, they shall avoid associating the image of BT Financial Group with any political option or activity through direct or indirect support or involvement.

The involvement of any employee / member of the management body of a company in the Group in any political activities may be possible only with the prior approval of the designated competent structures in each company of the BT Financial Group.

In the normal course of their business, the companies in the BT Financial Group will not offer any facilities or special conditions for political parties, organizations or politically exposed persons; business relationships with politically exposed persons will respect the provisions of the national and European regulatory framework (Law 129/2019).

## **14. Decisional transparency**

Employees / members of the management body of the companies in the BT Financial Group shall take the necessary steps to ensure the **transparency of their decisions**. In this respect, decisions are considered to be transparent when they reflect reality correctly and completely.

A decision is transparent when it meets the following conditions:

- approval is obtained from the appropriate decisional level according to the provisions of the applicable internal rule, based on analysis of the risks involved;
- the rationale behind the decision is evidenced;
- the decision is brought to knowledge of all parties.

## **15. Non-arm's length transaction**

Employees / members of the management body of the companies in the BT Financial Group benefit from facilities with regard to the products offered by the companies in the BT Financial Group (e.g. tax and commissions rebates, discounted interests, preferential exchange rates according to remuneration packages and incentives agreed at the BT Financial Group level.

Employees / members of the management body of the companies in the BT Financial Group shall not use excessively or abusively such facilities in personal interest or in favour of other persons / entities.

Companies in the BT Financial Group can provide products and services to other persons and entities in the group or to other related parties in terms more favourable than the standard ones, only with the prior approval of the management body of the company, respecting the limits of competence established in each company and in line with the applicable legal provisions and limits.

## **16. Relation with suppliers**

The companies in the BT Financial Group will seek to conduct trade relations and cooperation with individuals and entities adhering to the moral values and principles set forth in this document. Selecting different suppliers or partners for companies in the BT Financial Group will be performed in conditions of maximum transparency, based on quality and price of products / services, compliance with the policy on avoiding conflicts of interest and depending on the reputational risk.

## **17. Equal opportunities, avoiding harassment and discrimination**

The companies in the BT Financial Group are committed to ensure their employees a work environment free from any form of discrimination and harassment.



The forms of harassment include:

- **Oral harassment**, such as depreciative comments, jokes, ironies or insults down to threats;
- Written harassment, when such as depreciative comments, jokes, ironies or insults down to threats are expressed in writing;
- **Physical harassment**, such as offensive touching or blocking movements;
- **Visual harassment**, such as posters, postcards, calendars, cartoons, graffiti, drawings, messages, notes, e-mails or depreciative or offensive gestures;
- **Moral harassment** is a form of psychological and systematic harassment at work place, when an employee is attacked and stigmatized by colleagues or superiors by rumours, intimidation, humiliation and isolation, putting in danger the victim's emotional state and professional skills;
- **Sexual harassment** of a person by another person at work consists of unwelcome sexual advances, requests for sexual favours or other verbal or physical conduct of sexual nature when:
  - Submission to such conduct is a condition for employing a person;
  - Acceptance or rejection of such conduct is the basis for employment decisions;
  - Such conduct has the purpose or effect to unreasonably influence individual efficiency in the workplace or to create a work environment, intimidating, hostile or offensive

Any employee who is harassed by a colleague, a hierarchical superior or another person doing business with or working for the company must immediately notify the superior and / or the management from the BT Financial Group about this. Complaints will be handled in a confidential manner and no individual will suffer any form of retaliation for reporting any incidents of harassment. If such a complaint involves a direct superior (N + 1), it shall be sent immediately to the higher level (N + 2).

## **18. Fair competition, marketing and sales practices**

BT Financial Group is working hard to become a representative pillar of the Romanian banking system through fair competition and market conduct always characterized by honesty, integrity and transparency. All companies within the Group undertake to comply with competition laws and treat competitors with respect.

Competition laws are designed to ensure free and open competition, fair costs for consumers and high quality services. Any activity or conduct that reduces or eliminates competition will be investigated. Employees, managers and companies in the BT Financial Group will demonstrate precautions to avoid even inadvertently violation of such laws.

Employees / members of the management in the BT Financial Group interacting with competitors will **avoid discussions about sensitive or confidential information.**

Specifically, the following is to be avoided:

- establishing or communicating prices or conditions relating to products and services;
- establishing agreements to share markets, customers or territories;
- any action to boycott customers, suppliers or other competing companies;
- any action, decision, act, behaviour that could be sanctioned in accordance with Romanian and / or European legislation about free competition protection.

The BT Financial Group's strategy is based on free and fair competition always respecting the laws and the regulations in force in the countries where BT Financial Group is operating.

When employees / members of management bodies of companies in the BT Financial Group discuss about competing companies with colleagues or customers, they shall highlight the positive aspects of the BT Financial group, the products and services provided by the companies in the BT Financial Group and refrain from criticizing banks and / or competing companies.

The companies in the BT Financial Group shall prohibit promotion by employees / members of the management body of marketing strategies and sales practices where any impact on competition in the Romanian market, the market of a Member State or to the European single market may be possible.

## **19. Market abuse**

### **19.1 Inside Trading**

**Inside Trading** means improper use of inside information.

Privileged information refers to information of precise character, which has not been made public, directly or indirectly concerning one or more issuing companies of financial instruments or one or more financial instruments that could significantly influence the prices of said financial instruments, if made public or the price of related derivative financial instruments or which, if used, could generate profits to the detriment of those who do not possess this information or to the detriment of their customers

Inside Trading have direct consequences to the employees involved or members of the management body, both under the internal rules and the criminal law.

It is forbidden to any employee, or member of the Governing body, who possesses privileged information, to use that information for acquisition or alienation, or with the purpose of acquiring or alienating, **for him or for a third party**, directly or indirectly, of the financial instruments to which the information refers. Employees or members of the Management Board will not take advantage of the privileged information they have access to in the course of their service duties in any way, nor will they transmit the information for use for their own benefit or for third parties.

Employees and company leaders in the Group at any time shall not use any privileged information to which they have access in the course of duties in order to carry out transactions on the capital markets on their own behalf or for third parties.

Any employee or member of the Management Board who is aware of any violation of these rules must report immediately to the hierarchical superior and to the Compliance Division.

It is forbidden for any bank employee or member of the Governing body to get involved in manipulation activities.

*“Market manipulation”* also refers to:

making a transaction, placing a trading order or any other behavior that gives or is likely to give false or misleading indications about the offer, request or price of a financial instrument, transaction, or trading order is in line with accepted market practices at the concerned trading venue.

- making a transaction, placing an order or any other activity or behavior that influences or is likely to affect the price of one or more financial instruments, or any other form of deception or dissemination of false information about the offer, request or price of a financial instrument

Any employee or member of the Management Board who has reasonable grounds to consider that a transaction is based on privileged information or that it could be an act of market manipulation, shall promptly notify the Compliance Department.

The rules regarding privileged information are depicted by the internal procedures.

## **19.2 Fair competition**

Abuse of position as a market player affects confidence in the functioning of the capital markets and has serious consequences both for BT Financial Group in general and for any employees/ members of the management body involved in such activities. The requirement of integrity also applies to the competition for market share.

The companies in the BT Financial Group and employees/ managers shall not assume any prohibited verbal commitment and shall respect fair competition rules and the rules governing behaviour on the market that are customary at international level (MiFID).

## **20. Protection of health and environmental safety**

In all the activities carried out by companies in the BT Financial Group, permanent protection of human health and environmental protection will be ensured. The BT Financial Group will see that both the component entities and their employees or third parties should respect and promote the above principles. BT Financial Group supports the social involvement that ensures health and safety of environment.

## **21. Relations with mass media. Communication with social media**

Any communication with the local or national media about activities or products / services promoted by the companies in the BT Financial Group will be conducted solely through the Department of Marketing of Banca Transilvania or persons designated in advance and expressly by the BT Financial Group's management.

Also, employees / members of management bodies of the companies in the BT Financial Group shall refrain from expressing in public (including internet / blogs / social networking) or distribution / promotion of contrary or negative opinions, in any format, about the work or products of the companies in the BT Financial Group or their regulations and strategies.

In order to avoid the negative impact of image, employees/ members of the Management Board must not associate the image of BT Financial Group with personal views on political issues expressed within social networking.

## **22. Relations with control authorities**

At the level of the companies in the BT Financial Group, any interaction with control authorities is managed by departments and representatives designated or authorized expressly in accordance with applicable national regulations.

Employees shall not directly interact and shall not answer on behalf of the company / group questions addressed by authorities without the express agreement of specialized departments, the responsible or designated representative, in accordance with internal regulations.

Employees and companies in the BT Financial Group will fully support the authorities in carrying out any investigation conducted by them under the law.

## **23. Other provisions**

This code is accessible and applicable for to every employee / member of the management body of the companies within the BT Financial Group, starting from the date of employment / mandate.

This document may be updated or completed periodically in accordance with the legislation in force and any decision amending the Code, must be made at BT Financial Group level. Amendments to the Code will be communicated to employees either in person, by mail or by posting a shared location with general access for each company in the group.

All employees / members of the management body of companies in the BT Financial Group must know and comply with the provisions in this Code. Strict compliance to it is the responsibility of every employee / member of the management body of the companies in the BT Financial Group.

For any deviation from the Code, in particular, and the BT Financial Group's ethical standards in general disciplinary proceedings will be applied. Depending on the provisions infringed, the effects of violations and the degree of guilt, the companies in the Group may sanction those who are guilty of violations down to termination of work contract/mandate.

The employees of the entities of the BT Financial Group have the obligation to comply with the legal and regulatory requirements and internal policies, and at the same time will behave honestly and with integrity so as to perform their tasks competently, carefully and with due diligence.

This code does not replace the Rule of Order or the Rule of Organization and Management of companies in the BT Financial Group. Both rules are comprehensive documents that describe the activity of each company in the group and their units, which include, among others, provisions relating to human resources.

Disciplinary actions, legal actions and possible sanctions at internal and external level that may be triggered as a result of inappropriate conduct and unacceptable behavior are presented in the internal regulations (ROI / ROA) of each entity within the Group.

At the level of each entity within the BT Financial Group, the identified situations of violation of the code of conduct and of the internal regulations will be monitored and reported periodically to its own Management Body, according to the internal procedures.

The Code of Ethics and Conduct of BT Financial Group and any amendments thereto shall be approved by the company's Board of Directors.