



CODE OF BUSINESS ETHICS

Table of content

1. WELCOME AND INTRODUCTION	3
2. PURPOSE AND SCOPE	4
2.1 Our Core Values-----	4
2.2 Our Work Principles-----	4
3. RESPONSIBILITES.....	5
3.1 Responsibilities towards vision and mission of the Bank -----	5
3.2 Responsibilities towards respective laws and legislation-----	5
3.3 Responsibilities towards employees and workplace-----	5
3.4 Responsibilities towards clients -----	5
3.5 Responsibilities towards suppliers-----	6
3.6 Responsibilities towards the competitors -----	6
3.7 Responsibilities towards AML and other illegal business practices -----	6
3.8 Responsibilities towards society and humanity-----	6
3.9 Responsibilities toward environment-----	6
4. EMPLOYEE CODE OF CONDUCT	7
4.1 General responsibilities of all employees -----	7
4.2 Guidelines for standards of conduct -----	7
5. BUSINESS ETHICS AND CONDUCT	8
5.1 Conflict of Interest -----	8
5.2 Confidentiality-----	9
5.3 Outside employment and activities -----	10
5.4 Gifts and honours -----	10
5.5 Political activities-----	10
5.6 Financial Interests -----	10
5.7 Investments -----	11
5.8 Mandatory disclosure requirements-----	11
6. DISTRIBUTION OF TASKS IN RESPECT OF CODE OF BUSINESS ETHICS.....	12
6.1 Tasks of Employees-----	12
6.2 Tasks of Managers -----	12
6.3 Tasks of Human Resources Department-----	13
7. DISCIPLINARY SANCTION.....	13
8. IMPLEMENTATION & REVIEWS' AUTHORITY	13

1. WELCOME AND INTRODUCTION

We believe that Human Capital is the most valuable asset that a bank can have and BKT is particularly strong on this point. We share the conviction that the success of the Bank depends directly on the behaviour of each employee.

Together, we are committed to build the future of the Bank on the foundations of professional expertise, integrity and solid values.

This requires ensuring the engagement of all employees across the Bank, and earning the trust of our partners, clients and shareholders, as well as public officials and representatives of civil society in every location where the bank does business.

To do this, we must of course scrupulously comply with laws and regulations. At the same time, we must go further and make certain that every decision is guided by a deep sense of ethical responsibility.

The world in which the Bank operates continues to change at an accelerated pace. BKT can manage these changes by anticipating them, adapting and innovating thanks to a corporate culture anchored by solid values.

The spirit has shaped our Code of Business Ethics, which defines the rules, which govern all our actions, consistent with our core values. The Code of Business Ethics guides our thinking, our behaviour, our actions and our decisions.

As a company of the Çalik Holding, compliance with these values and principles also serves to maintain and enhance the reputation of the entire Holding.

We believe that all employees bear the responsibility to act as representatives of BKT fully engaged with these values and principles, which underpin our contribution to society, our unity and our continuous success.

Seyhan PENCABLIGIL

Chief Executives Officer & Board Member

2. PURPOSE AND SCOPE

The purpose of this document is to enable the development of business ethics regulations, to raise awareness on this topic, and to write them down, to enhance strongly the institutional culture on the topic of business ethics and conduct in Banka Kombëtare Tregtare (BKT). The document defines the fundamental values and work principles of our bank, and it serves as the foundation for our ethically responsible corporate culture in compliance with statutory documents as "Human Resources Policy and Procedures", "Çalik Holding Codes of Business Ethics and Implementation of Fundamental Regulation" and principles of Corporate Governance Responsibilities.

2.1 Our Core Values

- Integrity

We reach our objectives through the honesty and seriousness respecting rules and professional ethics.

- Fairness

At work and in our principles, we are a family that is motivated by what is right and fair.

- People First

We devote all our energy to improving people's lives. Our priority is always the development and happiness not only of our employees and customers but of all the people touched by the value we generate.

- Confidentiality

We have strong commitment to protect customer confidentiality.

- Transparency

We are fully leaded by transparency and reliability values.

- Responsibility

We provide high responsibility toward all stakeholders.

2.2 Our Work Principles

- Teamwork

We work as a synchronized team.

- Accountability

We perform our duties based on rules and professional ethics.

- Open Communication

We promote open communication aiming everyone to feel included.

- Quality

We are a brand because our work quality makes the difference.

- Efficiency

We are working in a changing world which requires continuous improvement and high efficiency.

- Customer focus

We serve our clients with maximal dedication to fulfil their needs and expectations.

3. RESPONSIBILITIES

3.1 Responsibilities towards vision and mission of the Bank

Vision of BKT is:

"We know what you want and we make sure you get it. That simply makes us the first and the best bank."

Whereas the mission of BKT is:

"To provide people with peace of mind, convenience, and possibility in banking sector"

The employees shall be expected to fully comply with Vision and Mission of the Bank.

3.2 Responsibilities towards respective laws and legislation

While the employees of Bank perform their duties, they act in compliance with state laws and legislation, wherever they perform their activity inside or outside the country. Information, documentation, and records related with these activities, are kept and maintained in order and without deficiencies. Any report, presentation, financial statements and notes that shall be submitted to competent authorities and be disclosed to public by Bank, are prepared with utmost punctiliousness, accuracy and transparency in compliance with legal framework and internal regulations.

3.3 Responsibilities towards employees and workplace

The Bank aims to enable a safe and healthy work environment, and to introduce honest and fair approaching for employees. In this context, in order to create and maintain fair and safe work environment, it is not allowed to make differences between employees within the institution due to: physical disabilities, age, religion, sect, belief, political opinion, gender, colour, race, language and similar reasons. Persons under equal conditions are given equal opportunities. Payment and upgrade parameters are based on performance and productivity. Performance and payment management processes shall be explained in detail in the related procedures. In all processes of human resources (hiring, promotion, transfer, change of position/department, payment, training, social rights, etc.) are followed fair policies far from differentiations.

Violation of employees` immunity in any workplace through any form of physical violence, sexual harassment or philological violence is in contradiction with law and codes of ethics. Planned and systematic actions aiming the cause for resignation, fall of performance, loss of work satisfaction of the targeted person in a way that shall be evaluated according to psychological provocation, shall not be tolerated.

In all locations where the BKT performs activities, health and safety of each employee are regarded as the priority. Healthy and safe physical working environment and conditions at the workplaces shall be provided to all employees.

3.4 Responsibilities towards clients

It is essential to work with a proactive understanding that responds focusing to the customer satisfaction and meeting the needs and demands of customers as soon as possible and most appropriately. Approaching to clients is based on rules of respect, honour, justice, equality and courtesy. The main priorities are the creation of values, increase of customer satisfaction and creation of a long-term environment of trust in

relationship with clients. Employees are expected to be sensitive at this point and the required diligence shall be shown.

3.5 Responsibilities towards suppliers

The Bank shall behave honestly, fairly and respectfully and in the framework of good intention rules towards persons or institutions that it has work relationships with and shall show the necessary diligence to fulfil its legal obligations in a timely manner. The Bank and its employees shall be responsible for careful protection of confidential information of persons and institutions with whom/which it cooperates.

The Bank shall lawfully provide all necessary software and copyrights for employees to perform their work.

3.6 Responsibilities towards the competitors

The Bank shall comply with fair competition rules and support laws and regulations in the country it operates. Competition with competitors shall only be allowed within ethical and legal framework and unfair competition shall be avoided. In this context, it is essential to support the work to ensure the targeted competitive structure in the society. All employees of the Bank shall be responsible for complying with competition related laws and regulations.

3.7 Responsibilities towards AML and other illegal business practices

Financial and credit institutions may be used as channels to 'launder' the proceeds of criminal activity, thus disguising their illegal origin and reintroducing them into the regular business system. These activities undermine a bank's integrity, damage its reputation and may expose the bank to severe sanctions. BKT supports the national/international drive against the illegal business practices such as money laundering, terrorism financing, bribery, corruption, or fraud and applies extremely strict precautionary and defensive measures.

3.8 Responsibilities towards society and humanity

The Bank and its employees shall act responsibly and sensitively in social issues, with conscience of being a good citizen. It is important to behave in sensitive way with culture and traditions of the country, adaption with social composition and avoiding of elements that have negative impact on social environment. Employees shall be expected to be sensitive and careful to these issues.

It is essential to make social aid and corporate donations to projects, institutions, and foundations in accordance with internal procedures, codes of ethics and reputation of the Bank.

Employees shall be encouraged to participate in social activities such as; environment, health, training and sport. It is appropriate the individual participation of the employee in voluntary activities with own resources of the later, outside the workplace and in the way that not affect the work performance.

3.9 Responsibilities toward environment

The Bank is sensitive in financing of or participation in any transactions or projects which put the environment at risk of lasting effect. For example, destruction of the rainforest, pollution of the environment and waters, etc., is not in accordance with the business policy of Bank.

In every decision, employees concerned must bear in mind the potential risk of damage to the reputation of Bank which may be caused by transactions or projects that could

have adverse effects on the environment. Care should be taken to ensure that any enterprise receiving financing will use the funds in compliance with the local and international environmental protection provisions.

4. EMPLOYEE CODE OF CONDUCT

BKT is committed to treat all employees with respect and that includes a presumption of discharging their duties and responsibilities by means of professional conduct. Occasionally, employees enter in the company without a clear idea of what their general responsibilities are or what professional conduct is. The purpose of this chapter is to explain the general responsibilities of all employees and the standards of conduct that are expected. That is the guideline related to the issues such as business ethics and conflict of interest.

4.1 General responsibilities of all employees

- Employees are expected to be present and active at work during all the working hours. Unjustified absences or absences without the permission of relevant supervisor are not allowed.
- In-group absence in the Bank is prohibited.
- Employees are obliged and responsible for carrying out the job according to the Job Description, laws, by-laws, regulations, and circulation's and orders, banking customs and practices.
- While implementing/carrying out the duties, the employee should be careful, devoted and determined to protect the interest of the Bank, being characterized by polite manners.
- Employees are responsible for carrying out the duties in the proper manner and on time.
- Employees are prohibited to give interviews or information to the media without the authorization of the CEO.
- The employee, who leaves the job permanently or relatively long period, is obliged to deliver to his deputy or to his successor the job and everything that has to do with the normal workflow in the future.
- The assignment of job is associated with the delivery of all the monetary and material values, official documentation, working tools and everything else (electronic or otherwise) that the person leaving the job had under his responsibility/assignment.
- The employee will have civil and penal responsibility for the damages caused to the Bank by not accomplishing these obligations purposely or by negligence.

4.2 Guidelines for standards of conduct

The following guidelines will serve as the standard of conduct for all employees:

- Employees will conduct themselves in a professional and respectful manner to all employees, customers and visitors.

- Employees will present themselves in a clean and well-groomed manner.
- Employees will present themselves on time for their regularly scheduled hours.
- Employees shall be and remain productive throughout their workday.
- Use/abuse of alcohol, intoxicating substances and use of illegal drugs will not be tolerated.
- Sexual harassment will not be tolerated.
- Racial slurs, harassment and intimidation will not be tolerated.
- There is no solicitation or distribution of petitions in the work place.
- Employees will protect the confidential nature of business information such as customer lists, customer preferences, project proposals, and proprietary production processes. Employees will also respect the confidential nature of personal information about other employees.
- Theft of any kind will not be tolerated.
- Gambling is not allowed and tolerated.
- Unauthorized use of company equipment or assets will not be tolerated.

5. BUSINESS ETHICS AND CONDUCT

Bank officials and staff shall:

- Perform their duties in compliance with the Bank's objectives and interest.
- Protects with loyalty the legal interests, integrity and prestige of the Employer.
- Not involve themselves in any conflicts between their personal interests and their duties as a Bank official or staff member.
- Conduct themselves at all times in a manner appropriate with their status as Bank officials and staff members.
- Avoid any action, in particular any public pronouncement, or personal profit-making activity that may adversely reflect upon their status, or independence and impartiality required by that status.
- Exercise the utmost discretion in regard to all matters related to the Bank and retains confidentiality even after their contract with the Bank has terminated.

5.1 Conflict of Interest

- Employees owe their duties solely to the Bank and to no other authority, and shall not knowingly engage in any outside activity, which is incompatible with the full and proper dismissal of their duties and responsibilities to the Bank; or which may create any appearance of impropriety or prove a source of embarrassment to the Bank. In particular, Bank officials and staff members shall not:

- In the performance of their duties with the Bank, to be influenced by, or accept instructions from any other subject external to the Bank.
- Accept employment with or perform any service for any public entity, other than the Bank, including a government or other international institutions.
- Serve directly or indirectly or under any name or any positions that may be regarded as employee, director, administrator, merchant, tradesman or freelance within or outside of working hours for another physical business person and/or legal entity for wage or similar interest.
The positions of referring, mediation and expertise, assigned by judicial or administrative authorities, and the position of the lecturer in universities shall not be included in this restriction. The superior and Human Resources Department shall be informed in advance, taking their preapproval.
- Accept any remuneration from any government entity, or functionary, in connection with their appointment, or service with the Bank.

Employees are required to adhere to some further specific regulations aimed at providing guidelines for situations where a potential conflict of interest could arise.

5.2 Confidentiality

- The employee shall be bound to keep the secret of all direct or indirect information obtained in the course of services for the Bank. The giving away or disclosure of secret and confidential information by the employee to a third party for furthering direct or indirect interests, or for profit, is prohibited, otherwise the employment contract shall be considered terminated and appropriate damages sought.
- Secret and Confidential Information (hereafter to be called "SCI") shall be considered to be any kind of information about direct or indirect, personal, family, business, material, or moral interests of the Bank's clients, which the clients disclose to the employee and declares as confidential, or that may be considered as such on the basis of the law and common sense. In case of doubt about the SCI information disclosed by clients, such information shall be treated as SCI. The employee shall protect and maintain SCI as secret and confidential.
- The employee shall not take out of the Bank, for his own direct or indirect interest and profit, or for third persons documents, CD, USB, DVD and other materials through the information network or telephone, either original or hard copies, which may contain secret and confidential information.
- The employee shall be obliged to request the Bank's prior written approval to disclose SCI to third parties, including entities that have this right by law such as Bank of Albania/Kosova staff and auditors, the Bank's external auditors and Albania/Kosova administrative and judiciary authorities. After approval, further actions shall be performed according to the Bank's internal instructions and procedures.
- The employee who is in possession of or has access to SCI shall not deal directly or indirectly with transactions of a speculative nature at any time, including, but not restricted to, put and sell, or limit orders and placing of call options warrants and stock appreciation rights, related to the Bank's business, or the client's business and which is a cause for the Bank to immediately and reasonably terminate the Employment Contract.

- The obligation to preserve the confidentiality lasts indefinitely even after the termination of the employment contract for any reason between the Bank and the employee.

5.3 Outside employment and activities

- The employee shall not exercise any responsibility with respect to Bank transactions involving a former employer as a receiver, or beneficiary of Bank financing, investment, guarantee, or services, a guarantor of such financing, or a supplier of goods or services to the Bank.
- The employee who is negotiating for, or has an arrangement concerning a prospective employee, shall not exercise any responsibility with respect to a Bank transaction in which the prospective employee has a direct or indirect financial interest. All such arrangements or negotiations shall be immediately notified to the Board.
- The employee may not, within two years after the termination of his/her Employment Contract with the Bank, perform services for any other entity or person in respect of any matter in which the Bank has an interest, or is a party and in which he or she participated personally.

5.4 Gifts and honours

- Employees shall not solicit and shall refuse gifts from any source external to the Bank in connection with their service with the Bank. Such gifts may be accepted only if refusal to accept would offend or embarrass the donor and in such case they will become property of the Bank.
- Employees may not solicit or accept decorations or similar honours from any source external to the Bank for services rendered on behalf of the Bank. The employee may accept such honours for services not connected with the performance of his functions in the Bank.

5.5 Political activities

- Employees may exercise their political rights, but shall refrain from participation in political activities, which may interfere or conflict with their duties, or their status as Bank officials or staff members.
- An employee who becomes a candidate for, or accepts any public office shall offer to resign from the Bank.

5.6 Financial Interests

- Employees shall not use Bank services, facilities, and infrastructure for private gain nor shall they permit other persons to do so.
- No employee shall accept a financial interest in any Bank transaction, whether by way of compensation, commission, favourable buying or selling arrangements, gifts or otherwise.

5.7 Investments

- No employee shall purchase, directly or indirectly, vouchers (shares), or any interest in any entity, or any of its affiliates, if such entity or any of its affiliates is:
 - An actual recipient of financing or of advisory or financial services by the Bank, including indirect Bank financing through a development finance company or other intermediary, or;
 - Known to the Bank official or staff member to be under active consideration for such financing or services.
- No employee shall purchase, directly or indirectly, debt or securities (shares) of, or any interest in any entity, or any of its affiliates, if such entity, or any of its affiliates is:
 - A supplier of goods or services (including consulting or construction services) to be acquired or financed by the Bank, or which is being considered as such a supplier;
 - Is a financial institution from which the Bank is a borrower or to which the Bank is otherwise indebted or:
 - Engages in financial transactions with the Bank.
- An employee may however purchase securities of an entity referred to in the previous paragraph, if:
 - The purchase is made for investment consistent with the usual investing activity of the purchaser;
 - The security or interest is publicly traded; and
 - After the purchase, the purchaser will not hold more than one-tenth of one per cent of any class of the outstanding securities of the issuer.

5.8 Mandatory disclosure requirements

- Each employee shall immediately disclose to the Board any financial or business interest that:
 - Is considered forbidden purchase under sections relating to investments as described above;
 - Might reasonably reflect unfavourably on, or cause embarrassment to the Bank;
 - Might be in actual conflict or apparent conflict with the employee's duties;
 - Might affect the activity of the Bank official or staff member;
 - Might have material benefit from or relations for material gain with any person who is a party to an unsigned contract or proposed contract with the Bank;
 - Might be party to a concluded or proposed contract with the Bank.

- Each employee shall comply with any instructions of the Board relating to the disposition of, or the exercise of rights in connection with, such financial or business interest.
- Upon accepting employment with the bank, if a staff member during the year has created a financial or business interest, not complying with the principles of conflict of interest, he/she is obliged to declare it immediately, sending a written statement to Human Resources Department. Human Resources Department reports to Personnel Committee.

6. DISTRIBUTION OF TASKS IN RESPECT OF CODE OF BUSINESS ETHICS

6.1 Tasks of Employees

Compliance with the Code of Business Ethics shall be a fundamental responsibility of all employees. In this regard, the key expectations from the employees are as follows:

- Obeying laws and regulations in any conditions.
- Being aware and applying any policies, regulations, procedures, user manuals and all other documents published generally or exclusively for assigned positions by the Bank.
- Participating in training on codes of ethics, reading, understanding and complying with the relevant documents.
- Contacting his/her Manager when he/she has any doubt on any issues concerning the business ethics in the course of his/her duty.
- Immediately reporting any potential infringements he/she observed contacting the respective authorities, Internal Audit Group or through e-mail address ethicline@bkt.com.al reported with or without his/her name, in compliance with "Denouncing Line Procedure".
- Sensitively to avoid making any slanderous statements.
- Keeping any information concerning ethical examinations confidential and cooperate with the respective authorities.
- Warning and guiding other employees related to the correct application of code.

6.2 Tasks of Managers

In addition to the tasks and responsibilities described for the employees, the Managers shall also have the following tasks and responsibilities:

- Spreading the culture of business ethics within the Bank.
- Being an example with their behaviour in implementing the Code of Ethics.
- Directing the employees on the Code of Business Ethics where they have any doubt and train the employees in the Code of Business Ethics.

- Taking into consideration all the received statements and to inform immediately the superiors or respective authority bodies, if necessary.
- Ensuring structuring of the business processes under his/her responsibility in such a way that minimizes any risks relating to the Code of Business Ethics.

6.3 Tasks of Human Resources Department

In addition to the tasks and responsibilities described for the Employees and Managers, the Human Resources Department shall also have the following tasks and responsibilities:

- Shall inform the employees regarding the Code of Business Ethics and train the employees in certain periods for better understanding of the regulations.
- Being in continuous communication with the employees regarding the subjects of Code of Business Ethics, guiding and consulting them on any question or issue about this matter.
- Ensuring the employees read the Codes of Business Ethics (both BKT and Çalik Group) and makes them aware in this regard, collecting the "Codes of Business Ethics Compliance Declaration Form" from the employees in written.
- Ensuring on raising of awareness of the new entries on these principles, collecting the "Code of Business Ethics Compliance Declaration Form" from them in written, promising compliance with them.

7. DISCIPLINARY SANCTION

The Bank will not tolerate the violation of the Code of Business Ethics. Any breach of it, will be subject of appropriate disciplinary measure by Disciplinary and Ethics Committee based on the document "BKT Human Resources Policy and Procedures" and legal framework.

8. IMPLEMENTATION & REVIEWS' AUTHORITY

- The "Code of Business Ethics" is mandatory for all BKT employees.
- Personnel Committee has the authority on any change or review of the document.
- The document is approved by Personnel Committee in the Meeting No. 6 dated on 24 July 2017 and become effective as of this date.