



1921

**POSTAL
SAVINGS BANK**

CODE OF ETHICS

*We know each other
for the longest
period of time*



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INTRODUCTION

1. Subject, purpose and aim of the Code of Ethics

Code of Ethics of Postal Savings Bank j.s.c. Belgrade (hereinafter referred to as: the Code of Ethics) defines the principles and guidelines of ethical business practice of Postal Savings Bank j.s.c. Belgrade (hereinafter referred to as: the Bank).

The Code of Ethics describes the values and basic principles of ethical business conduct that the Bank meets, promotes and expects.

The purpose of the Code of Ethics is to achieve preconditions for ethical conduct and responsible business conduct, as well as to promote the values of business culture.

The purpose of the Code of Ethics, with the help the standards of conduct, is to direct employees to act in accordance with ethical principles and good business practices, to behave professionally and responsibly, as well as to contribute to the Bank's business activities in the spirit of business ethics and good business practices and the principles of conscientiousness and respect, collegiality, mutual respect and cooperation, and to enable the Bank to operate transparently.





2. Persons to whom the Code of Ethics applies

The Code of Ethics is binding on all employees of the Bank, including members of the Bank's bodies, and in certain segments it is intended for third parties who are hired by the Bank when they perform certain tasks for the Bank on any basis. All employees are obliged to adhere to this Code of Ethics when performing business activities in order to preserve their professional integrity and reputation of the Bank.

The Bank's employees are expected to comply with the ethical values and principles set forth in this Code of Ethics.

The Bank's employees are obliged to get acquainted with and understand the rules and principles set out in this Code of Ethics.

All employees, and especially employees in managing positions, should use their personal example to promote the ethical values stated in this Code, both inside and outside the Bank.

All internal acts in the Bank must incorporate the principles of the Code of Ethics.





Our values

Our values represent the foundation of corporate culture and the key factor in helping us to achieve our business goals.

Efficiency

One of our basic goals is efficiency in everyday work. In order to achieve efficiency, we optimize business processes. We try to enable simple business by adopting modern technological solutions.

Responsibility

The Bank has a responsibility to its customers, shareholders, other business partners and the social and natural environment.

Understanding of customers and their needs and caring for their positive user experience is our main responsibility. We carefully and responsibly build partnerships with all persons with whom we enter into business relationships. We also fulfill our responsibility towards the wider social and natural environment.

Employees have a duty to act professionally, with dedication and mutual respect in their work, as well as to take care of the reputation of the banking profession.

Focus on solutions and innovation

The Bank is focused on finding solutions and solving problems by creating additional values for its customers. We are always looking for the best solutions in order to achieve mutual benefit in that way.

We follow modern trends and look for and recognize new and better methods and approaches in providing services and products to clients. We encourage innovation at the level of process, organization and internal functioning, as well as at the level of integrated solutions for customers in order to improve the customer experience, through the improvement of products and services and through their accessibility.

Cooperation

We are focused on open communication and cooperation. We appreciate clear and unambiguous communication, open and timely sharing of information and actively seeking for feedback. We work with clients in good faith and professionally.



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PRINCIPLES OF BEHAVIOR IN RELATIONS WITH INTEREST GROUPS

1. Principles of conduct in relations with clients

Clients are the foundation of our business. Our relationship with clients is based on respect, transparency and fair treatment. Our goal is to develop the highest standards of products and services in accordance with the needs of our clients at any moment.

1.1. Availability of products and services

We believe that our products and services should be available to all categories of clients and we create an environment so that all clients, especially clients with specific needs, have adequate access to our products and services.

When providing products and services, we do not discriminate against clients on the basis of nationality, religion, gender, political affiliation etc.

We pay special attention to elderly clients, pregnant women, and social categories of clients.



1.2. Maintaining high quality of products and services

We are continuously working on the improvement of products and services in order to meet the needs of different categories of clients. We implement technological innovations in accordance with the needs and requirements of the market in order to strengthen competitiveness in the provision of services and the achievement of business security.

The primary focus is on developing products and services that meet the financial needs and capabilities of different categories of clients.

We provide services that are simple and accessible to the average client.



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As a state-owned Bank, we have a significant role in promoting economic and social growth, and consequently offer a wide range of products and services to different categories of clients.

1.3. Transparency and comprehensibility

It is important to us to enable our customers to understand the characteristics and value of the products we offer them in order to establish and maintain lasting relationships based on security and trust.

In this regard, we provide clients with clear and unambiguous information about the products and services we offer or which they have purchased from us, especially taking care to provide transparent information about their price and fees.

We try to write the contractual provisions in clear and understandable language, reducing thus potential misunderstandings.

We advertise our products in a clear and understandable way, respecting all the principles and rules of advertising.

1.4. Data protection and privacy

We respect the right of clients to privacy and we handle clients' data in accordance with the highest standards that ensure security, confidentiality and integrity of personal data.

Personal data is provided with the application of stipulated principles of data processing, whereby we ensure that the client exercises his rights relating to information, access, insight, correction, provision of additional data and other rights related to his data.

The Bank's employees are obliged to strictly respect the rules of confidentiality, i.e. to keep banking and business secrets.

1.5. Managing customer complaints

We pay special attention to clients' complaints, ensuring that they are resolved quickly, fairly and efficiently for the benefit of all parties involved.

We inform the client about the procedure for filing a complaint, i.e. another way of assistance that can be used to achieve protection of his rights and interests.

In order to prevent the recurrence of the same complaints, the Bank continuously analyzes the causes of the problem, taking into account the feedback it receives from customers. Customer feedback is a significant input for improving business processes, products and services.



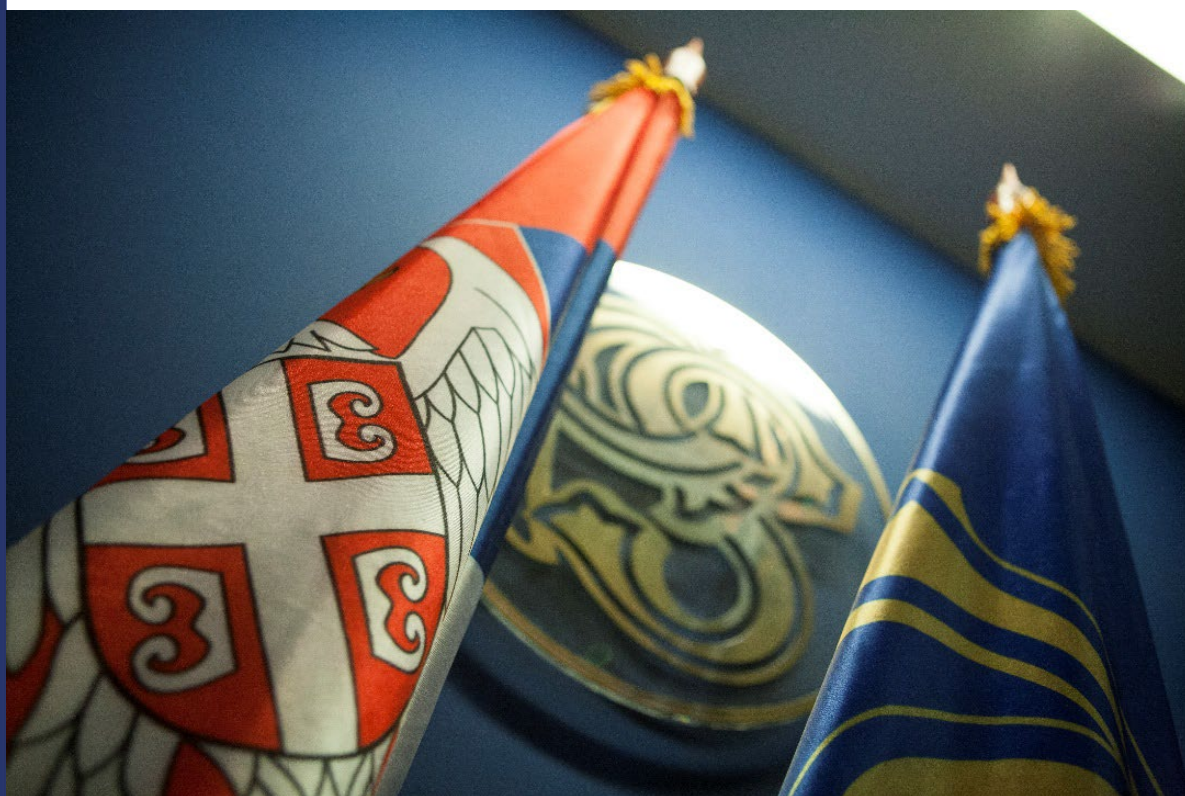
2. Principles of conduct in relations with shareholders

The Bank is accountable to its shareholders and therefore ensures that the value of the total capital of all shareholders invested in the Bank is protected and increased in a sustainable manner.

Respect for the rights and legitimate interests of the Bank's shareholders and ensuring equal conditions for all shareholders of the same category, regardless of the number of shares belonging to them, is the basis on which the Bank builds relations with its shareholders.

Shareholders have the right to timely, high-quality and true information about the business operations, i.e. the right to the availability of subject information at the same time and in the same way.

Shareholders have the opportunity to use their voting right at the shareholders' assembly and thus influence the decision-making that is important for the Bank's operations.



3. The principles of conduct in relations with suppliers and financiers

We establish business cooperation with suppliers in compliance with the highest standards of business ethics.

Our goal is to establish and maintain business relationships that are built on respect and mutual trust.

We guarantee equal opportunities to potential suppliers to become business partners.



The selection of suppliers is based on the principles and rules defined by the Bank's acts, avoiding any, even potential conflicts of interest.

The procurement procedure is conducted in accordance with the principles of thriftiness, efficiency, ensuring competition and equal treatment of bidders.

The Bank concludes contracts prepared on the principles of objectivity and correctness and harmonized with regulations.

The Bank meets the agreed payment deadlines.

In dealing with our financiers, we act with the care of a good businessman.

Transparency in relation to business information is an important part of our corporate governance. Therefore, the information presented in the financial statements and other documents disclosed to the employees, customers, business partners and the general public contains complete, accurate and true information about the Bank's operations.



4. Principles of conduct in relations with employees

We pay special importance to work ethics which is characterized by the professionalism in every aspect of business operations and the team spirit.

We provide equal opportunities for all employees in terms of employment, development and improvement of their knowledge, skills and competencies. We encourage innovation and creativity and provide a healthy and modern work environment.



4.1. Respect for colleagues

The Bank stands for honesty and respect for colleagues. We strive to achieve good mutual relations based on cooperation, mutual respect and kindness. Every employee is obliged to respect the dignity and personal integrity of colleagues.

We encourage expression of opinions among employees and open communication based on correctness, simplicity and transparency. We take care of the development of a positive corporate culture and that every employee is treated with respect and dignity.

4.2. Business conduct

Good employee relations significantly contribute to a positive business climate. These relations should be based on mutual cooperation, assistance and understanding.

The Bank respects the rights of employees, as well as their differences. No disagreement may cause incorrect behavior or violation of the rules of work, polite and honest behavior.

The Bank has adopted the Code of Conduct for its employees in order to improve its business efficiency and create an atmosphere for successful work.

4.3. Prohibition of discrimination and abuse

The Bank does not tolerate any kind of discrimination, inequality and unfair treatment of employees, any violence, abuse, harassment or mobbing of persons in their workplace.

Any form of sexual, verbal, non-verbal, physical or any other harassment and abuse of employees is prohibited.

In order to consistently enforce the prohibition of harassment and abuse, the Bank has established rules of conduct regarding protection against harassment, appointed persons to whom a request for protection against harassment is submitted, and intermediaries in disputes for harassment at work.

The Bank has zero tolerance of discrimination and advocates for fair treatment of all candidates in the recruitment and selection process. Personnel are selected on the basis of objective knowledge, experience and abilities. We guarantee equal opportunities for all employees in a fair and transparent manner regardless of gender, age, race, skin color, nationality, sexual orientation, religious beliefs etc.



4.4. Health and safety at work

The Bank complies with all relevant regulations governing the protection of the health and safety of employees at work. We carry out a set of measures and activities that ensure safety at work, prevent and eliminate hazards and harms that can cause injuries at work, occupational health and damage to employees' health at work and protect the health and working ability of employees. Also, all employees are required to comply with internal acts and regulations on safety and health at work.

5. Compliance with laws and regulations

5.1. Regulatory compliance

The Bank constantly harmonizes its operations with the regulatory framework. All employees must be familiar with the regulatory requirements that apply to their scope of business. Employees need to understand and know the legal and business environment within their area of responsibility and must recognize regulatory obligations.

Employees are required to comply with legal regulations, standards and other rules that define the requirements for our day-to-day operations.

5.2. Cooperation with regulatory authorities

We establish and maintain transparent communication with regulatory bodies, cooperate and provide all information and documentation during supervision, control and official investigations.

5.3. Financial reporting

The Bank keeps business records and accounting records in accordance with regulations. The annual financial statements give a true and fair view of the business and financial position, and are prepared with the content and form determined by the law governing accounting and international financial reporting standards.

5.4. Taxes

The Bank conducts its business in accordance with tax regulations, consistently respecting tax rules, tax discipline and tax obligations.

5.5. Loyal competition and fair business

The Bank is committed to fair competition and fair dealing which includes avoiding unfair sales and business practices, non-competitive contracts and market practices, and abusing its market power or dominant market position.

5.6. Business Secret

Employees, shareholders and members of the Bank's bodies, who have access to confidential information and data related to the Bank, clients or business partners when performing their duties, are obliged to keep this data confidential in accordance with the law, other regulations and acts of



the Bank, and may not use them for their own benefit, nor communicate them to third parties.

The Bank protects confidential and strictly confidential data and information and applies the highest standards of due diligence to the management of business data and other information.

6. Prevention of financial crimes and other forms of harmful acts

6.1. Avoiding conflicts of interest

Employees are required to identify, monitor and eliminate potential conflicts of interest.

When making decisions, employees are primarily obliged to represent the interests of the Bank in the performance of their duties. It is extremely important that employees always objectively assess which business decision is in the best interest of the Bank.

Employees should avoid situations that could cause a conflict between their business obligations and the Bank's interests on the one hand and their private interests on the other. The private interest of the employee includes his personal benefit, the benefit of his family members, as well as the benefit of third parties with whom the employee is related in business.

If the employee is faced with a possible conflict of interest in relation to his jobs and work tasks in the Bank, it is necessary to immediately seek advice from the immediate superior and / or the organizational unit responsible for controlling business compliance.

Employees are prohibited from performing business activities outside the Bank that may be or are in competition with the Bank's activities or that lead to an actual or potential conflict of interest, without the express consent of the Employer.

6.2. Irregularities and harmful actions

If they notice any conduct that may harm the Bank, employees are required to report their concerns and observations immediately through available communication channels. Every employee is obliged to immediately report all information about everything he considers, in good faith, that may pose a violation or non-compliance with regulations, or internal rules as well as cases of harmful behavior, including, but not limited to, offering and accepting bribes and corrupt behavior; violation of the rights of clients and investors; activities related to money laundering and terrorist financing, use of privileged information and market manipulation; fraud; unethical behavior that causes / may cause harm to employees or third parties.

Any employee who acquires knowledge of harmful behavior of a colleague, client or any other person is obliged to report such behavior to



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his / her immediate superior, and he/she then to the competent organizational units in the Bank (this report may be anonymous).

If the employee is not convinced that the potential procedure has the nature of improper conduct, illegal or unethical procedure, he may consult with his superior or with the organizational unit responsible for controlling the compliance of operations.

The Bank does not tolerate or allow taking any actions against employees who in good faith report any suspected misconduct, even if it turns out that the reported procedure is not unfair or illegal, but is reported in good faith.

The Bank protects the identity of persons who report misconduct in good faith, as well as of those to whom the report of misconduct relates.

6.3. Prohibition of corruption and bribery

The Bank is committed to promoting a culture of preventing corruption.

The Bank is committed to zero tolerance for bribery and corruption and rejects all forms of bribery and corruption.

Irrespective of the circumstances, the employees of the Bank will not directly or indirectly, personally or through third parties give, promise, request or receive bribes. Employees are obliged to ensure that their actions and behavior do not give the impression that they are prone to bribery and corruption.

The Bank does not offer any forms of bribery or inappropriate incentives for any purpose, nor does it accept them. We demand the same from our clients, business partners and third parties. Such actions are categorically rejected and actively prevented in our business.

Employees who become aware of or justifiably suspect corruption shall immediately, without delay, inform their immediate superior and / or organizational units responsible for the security and fraud prevention and the control of business compliance.

6.4. Prohibition of gift acceptance

Employees are prohibited from receiving money, gifts, discounts, rewards or benefits from the client for the services provided by the Bank to the clients.

Employees are not permitted to seek or receive gifts or any other benefits from persons who have established or wish to establish a business relationship with the Bank, if they are given with the intention of obtaining material gain in return for concluding any business with the Bank. We must not give the impression to the client that something like this is possible.

The interest of the Bank must be the only criterion when selecting external contractors and other business partners.

Money as a gift is not acceptable in any case.



It is allowed to receive appropriate gifts of small value that employees receive or give as part of the establishment or maintenance of a business relationship.

6.5. Prohibition of misuse of insider information

The Bank is authorized to carry out investment activities and in that field it has established a strict ban on trading in financial instruments based on insider information.

The Bank protects the confidentiality of insider information relating to a company or a financial instrument and uses such information only for the purposes it has been disclosed for.

Employees are prohibited from disclosing insider information to other persons.

The Bank does not tolerate any attempts to misuse, i.e. manipulate the market or the price of financial instruments.

The management of insider information and market manipulation is governed by the Business Rules, the Rulebook on Conflict of Interest Management, and other acts of the Bank.

6.6. Prevention of money laundering and terrorist financing

The Bank shall take all stipulated actions and measures to prevent and detect money laundering and terrorist financing. Our goal is to do business only with reliable clients that are engaged in legal business. To ensure this, we implement the stipulated customer identification and monitoring measures.

Employees are required to comply with the Money Laundering and Terrorist Financing Prevention Policy, the "Know Your Client" Procedure, and other acts that establish procedures for detecting suspicions of money laundering and terrorist financing, procedures and measures for compliance with sanctions and embargoes which prevent persons or organizations to do business with certain countries, groups of persons, companies, organizations and individuals, including those related to terrorist activities, drug trafficking, development of nuclear weapons etc.

7. Assets protection

Employees are required to treat the assets of the Bank and the assets of our customers, suppliers and third parties with due care. The above mentioned assets may only be used for approved purposes in accordance with the authorizations and stipulated conditions.

Employees are required to follow appropriate Bank procedures to prevent unauthorized persons from gaining access to and / or the possibility of using, altering, or destroying property and assets.

Employees may not use equipment or other assets for personal gain or for the benefit of a third party, unless they have the appropriate authority to do so. Employees must prevent the use of assets and resources, either intentionally or negligently, for the personal gain of third persons.



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Inadequate use or unauthorized use of the Bank's assets poses a breach of obligations to the Bank and the Bank has the right to take all measures to protect its interests.

8. Social responsibility

Corporate social responsibility is a part of our corporate culture and our tradition.

By creating and implementing projects related to social responsibility, the Bank strives to raise standards of social development, to promote and preserve cultural heritage and the environment, as well as to respect the basic rights of each individual, company and the entire community.

The Bank, as part of the community, makes efforts to support and help the development of society and social culture, making a constant contribution, both to humanitarian actions and to the program of sponsorship and donations in the field of health, education, sports and culture.

Environmental protection is very important to us and we take into account the impact of business activities and decisions to the environment. The financing of projects that endanger the environment with permanent harmful consequences is not in accordance with the Bank's business policy.

We strive to recycle and / or redirect waste through special recycling programs with safe management of all recyclable materials.



IMPLEMENTATION AND CONTROL

The Code of Ethics, as well as all its future amendments, is approved and adopted by the Executive Board of the Bank.

The Code of Ethics is published on the Bank's website www.posted.co.rs where it is available to the Bank's clients and interested parties. Also, the Code of Ethics is published on the Bank's internal website and a hard copy can be delivered to any employee, external associates and other interested parties.

The Business Compliance Control Service is responsible for monitoring the compliance with the Code of Ethics.

Any violation of the provisions of the Code of Ethics by employees shall be considered a violation of work obligations and work discipline and the Bank will take all measures stipulated by law.

REPORTING ETHICAL VIOLATIONS

In cases of suspicion or finding out that there has been a violation of the Code of Ethics, all reports should be sent by e-mail to eticki.kodeks@posted.co.rs.

The report can also be submitted by mail to the address: Postal Savings Bank j.s.c. Belgrade, 3 Kraljice Marije St, Business Compliance Control Service (Služba za kontrolu usklađenosti poslovanja), marked as "Violation of the Code of Ethics - Do not open" ("Povreda Etičkog kodeksa –ne otvarati").

The Bank guarantees that anyone who reports a case of violation of the Code of Ethics will be protected from retaliation, reprisal, punishment or discrimination. The Bank ensures maximum confidentiality for reports of non-compliance with the Code of Ethics at any moment, except in cases where otherwise provided by positive regulations.

FINAL REGULATIONS

The Code of Ethics shall enter into force and be applied on the eighth day following the date of its publication.



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POSTAL SAVINGS BANK J.S.C. BELGRADE

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