

Erste Group Code of Ethics

Welcome



Radovan Jelasity
CEO
Erste Bank Hungary Ltd.

**Those who believe in themselves, achieve more.
They need a bank believing in them.**

Day after day we work to support people's well-being and to help those who believe in themselves. We help to achieve the goals of people, we are financial partners in all situations of life, be it house building or their businesses. In the framework of our Social Banking program, we can prove that business and social interests can freely go hand-in-hand and help each other.

How do we do this? We believe that a service actually means that people are helping people. Our corporate culture has been shaped so that Erste is a place where we work with a proprietary approach, where we make the best of ourselves and where we believe in people. The community of our colleagues makes us really different.

We believe that along with principles of our Code of Ethics and with values we represent, together we can be different than other banks.

CARE

- We respect our colleagues, regardless of their position or opinion
- We find time to support each other
- We participate in forming the community

The scope of Erste Group Code of Ethics applies to all persons in an employment relationship or any other employment-related relationship with Erste Bank Hungary Ltd. or with any of its subsidiaries, and to all employees of legal entities and other unincorporated organisations engaged in intermediary and/or outsourced activities. It is the duty of the head of the organisational unit entering into contractual relationship/intermediary or outsourced agreements, to disclose the Code to those whom with they have other employment-related relationships and to all employees of legal entities and other unincorporated organisations engaged in intermediary and/or outsourced activities.

The scope of the Code applies to all financial, supplementary financial, investment and supplementary investment service providing activities carried out by Erste Bank Hungary Ltd. or any of its subsidiaries – in its own right or as an agent – as well as to all partnerships where Erste Bank Hungary Ltd. or any of its subsidiaries acts as a party.

I. We value - Responsible governance

During the governance of Erste Group two main objectives guide the Board of Directors and the employees:

- ✓ to ensure the business continuity in accordance with maximum requirements of our customers, and
- ✓ to safeguard the interest of stakeholders of Erste Group at highest level.

The various elements of governance are thus important tools for implementing the Code of Ethics, all employees, management staff and representatives on corporate bodies of Erste Group are committed to the highest standards of corporate governance. Compliance with these standards is constantly evaluated and, if necessary, adjustments are made. We are fully committed to complying with all legal provisions and the regulatory framework applicable to us.

1. Principles and commitments, we believe in

1.1. Respect for legislation, ethical practice

The management of Erste Group is committed to full compliance with the laws concerning all activities relating to the services provided by Erste Group and to ensuring that the persons falling within the scope of the Code also complies with such rules.

In the course of its activities Erste Group complies with and ensures that others also comply with the rules of environment protection.

Our compliance programme is aimed at securing trust in our company. It comprises combating and preventing money laundering and terrorism financing, breaches of financial sanctions as well as fraud and corruption and also identifying, detecting and eliminating of conflict of interest situations.

To ensure this:

- we define standards and regular controls in all relevant processes to identify and prevent potentially illegal or unethical practices and use appropriate technical and management systems to do so;

- we identify, report and do not execute suspicious transactions that relate to the financing of terrorism, misuse of sensitive information, market manipulation and insider trading;
- we make arrangements to ensure adequate safety and security for our personnel, assets, and reputation;
- we provide our customers, business partners and visitors with a safe and healthy environment;
- we provide regular compliance training for our employees;
- we encourage all employees to disclose any issues of concern, offer a whistle-blowing programme (including an externally hosted hotline allowing anonymous information) and ensure adequate follow-up actions if violations have occurred, while respecting and protecting individual rights.

Fight against money laundering:

- Erste Group keeps itself apart from “dirty” money
- we know our customers; we transact business only with customers who have properly established their identity and where we understand the customer’s business; we will not get in business relationship or terminates those existing relationships if the origin of the financial assets of the customer is doubtful, or the account relations are suspected of money laundering, furthermore

- we freeze the financial assets of those persons who are covered by financial restrictive measures according to national and international legislations
- By means of continuous measures, we endeavour to prevent that organisation, infrastructure, products or services of Erste Group can be used for the purpose of money laundering or terrorist financing. We fight against money-laundering with the most severe methods, when there is any information, fact or circumstance giving rise to suspicion of money laundering we report it to the competent Authority in line with the concerning legislations.
- We fully comply with the provisions of the European Union and the United States concerning economic sanctions and embargoes, which are such Acts, regulations and/or administrative restrictions which partly or fully restrict or prohibit maintaining business relationship with certain natural persons or with legal entities, organizations or countries.

Prohibition of insider trading and market manipulation:

- we condemn insider trading, unlawful use of inside information and market manipulation, which are prohibited by laws as well. Our insider trading and market manipulation regulations developed for the detection and reporting of offender behaviours fully comply with provisions of Penal Code, Capital Market Act and European Union Acts.
- In order to prevent from insider trading, we use monitoring procedures along severe principles for detecting in time and preventing abuse with inside information and avoiding market manipulation.

Conflicts of interest:

- we identify, resolve and/or disclose any potential conflicts of interest; The rules regarding conflict of interest are based on legal obligation and serve our and also our customers' legitimate interest. It is necessary that situations of potential conflict of

interest to be disclosed at the earliest stage of arising, and to be examined and eliminated

- We refrain from activities against our and our customers' interest, we take our decisions impartially. We develop our relationship with our customers, partners and suppliers only according to objective conditions.
- Our proposals on trade or human resources are not affected by private interests and personal relationships and not governed by material or other kind of advantages.

The prohibition of bribery and corruption:

- The focus of our work and activities is integrity. We enforce the strictest norms of fair business practice, we maintain strict anti-corruption and bribery policies, prevent the payment and acceptance of bribes and/or facilitation payments.
- We strictly condemn bribery and corruption which distort competition in the market, we introduce and apply such processes during our operation which ensure that employees of Erste Group refuse any impression of bribery and corruption. (Bribery means offering, promising or providing of any valuable object or opportunity, bribery can take place not only by promising/delivering cash, but also by providing high value gifts, tickets for sport events, business opportunities or jewellery.

Gift Policy:

- We are committed to that no gift may be requested or provided, irrespective of its value, as a condition of business relationship or in the hope of receiving any benefit.
- We expect from our colleagues not to make any implication that allows a customer or contractual partner to draw the conclusion that giving gifts 'here' is customary or a must. Both in the course of acceptance and supply of gifts, special attention must be paid to that employees must always refrain from accepting or providing gifts if it creates or may create an impression of bribe

(an active or passive form thereof) or a request for any other business advantage.

1.2. Respect for human rights: Requirement of fairness and non-discrimination

We respect and promote human rights in everything we do, and do not tolerate any form of discrimination.

To ensure this:

We are committed to:

- fully comply with the requirements of business fairness and to have a fair attitude to our customers, contractual partners, competitors and employees;
- ensure equal opportunities for everyone in accordance with the principle of equal treatment ;
- we do not discriminate on the basis of nationality, social or ethnic background, marital status, age, sex, race, colour, gender identity, sexual orientation, political conviction, party affiliation or religion, family obligations, disability, physical appearance or any other aspects unrelated to our business.
- It is prohibited to behave in such a way or assert such opinions that would lead to the discrimination of customers, contractual partners, competitors, employees or other persons in an ethnic, sexual, religious or other respect.
- Erste Group will take a stand against all employees who violate these rules and will apply legal consequences in every case, it is expressly prohibited to apply any sanctions against employees who detect such violation of the rules and report the same in any manner in good faith.
- we ensure that our special needs customers have adequate access to our products and services

- we promote the financial integration and literacy of socially and financially disadvantaged individuals
- our marketing campaigns are based on respect and do not include images or messages which are offensive or libellous regarding gender, age, sexual orientation and/or physical condition.

1.3. Fair competition - The prohibition of unfair market practices, restriction of competition and boycott

We promote free and fair competition. The management of Erste Group is committed to and interested in ensuring market conditions which create a free and fair competition. We regard financial institutions as competitors who are entitled to fair and ethical procedures as well as to the observance of the rules concerning competition. At the same time, we expect the same behaviour towards ourselves.

Erste Bank Hungary Ltd., Erste Mortgage Bank Ltd. and Erste Building Society Ltd. are members of Hungarian Banking Association, during their activities they also keep the provisions of Code of Conduct of Hungarian Banking Association¹.

Erste Investment Ltd. is member of Association of Investment Service Providers, during its activity it also keeps the provisions of Code of Ethics of Association of Investment Service Providers².

To ensure this:

- We refrain from all behaviours which may result in the restriction of competition or an abuse of dominant position, such as:

¹ http://www.bankszovetseg.hu/Content/alapdokumentumok/Magatartasi-Kodex_20151021_Honlapra.pdf

² <http://www.bszsz.hu/etikai-kodex>

- unfair competition (violating or jeopardising the lawful interests of customers, competitors or partners);
- making or accepting a proposal of which the purpose is to agree on purchase or selling prices, the division of sources of supply, the sharing of marketing information affecting the competition, or the division of the market or the customers (cartel agreement),
- discussing issues at the meetings of professional representative bodies/lobbies which are relevant in terms of the restriction of competition (e.g.: prices, pricing policy, costs, marketing strategies);
- making the acceptance or purchase of a service/product dependent on the purchase of another service/product (tie-up sale).
- we provide our employees with information on anti-competitive behavior and prohibit them from entering into anti-competitive agreements;
- we do not misuse a dominant position in the market and we ensure that any mergers meet all of the applicable requirements prescribed by antitrust legislation;
- we do not violate third-party trademarks or other intellectual property rights, and we protect our own rights against potential misuse by third parties
- We refrain from boycotting our competitors, excluding them from competition without a reason, violating their business secrets or representing them negatively, we do not violate the competitors' professional interests, and do not put economic pressure on our competitors.

1.4. Dialogue with stakeholders

We maintain an open dialogue with our stakeholders.

To ensure this:

- we work with groups – including non-governmental organisations – that represent the interests of our stakeholders;
- we communicate regularly with all our stakeholders on issues of mutual concern.

1.5. Responsible financing, responsible investment

In the context of our financing, investment operations, we consider social, ecological and ethical criteria in addition to economic considerations.

To ensure this:

- we draft and implement “Principles for Responsible Financing” to govern our corporate financing operations in sensitive industry sectors;
- we routinely apply exclusion criteria for all active transactions with regard to ethically controversial industries (e.g. nuclear weapons);

1.6. Property protection

We are committed to protect the property of Erste Group, the customers and the suppliers as well as the condition of such properties. Assets include but are not limited to the following: physical objects, services, business plans, cash, securities, bank account, securities account, intellectual property and all information qualifying as bank secret, securities secret, insurance secret, cash desk secret, business secret or personal data.

To ensure this:

- we handle with the property of Erste Group carefully, we use exclusively for official purposes in accordance with business

activity of Erste Group, we regulate the processes regarding property protection in details

- Information, data and knowledge are assets of critical importance, we ensure protection of business secrets by all means, we developed a comprehensive framework for handling critical and sensitive information, we regulate the processes regarding protection of business secrets in details

1.7. Risk management

Our risk management is designed to sustainably optimize our financial performance and earnings position.

To ensure this:

- we promote a consistent and prudent approach to managing risk across Erste Group;
- we identify, measure and control financial and non-financial risks that affect our operations and optimise our risk-taking.

1.8. Accounting and taxation practices and standards

Our accounting and taxation practices and standards are designed to provide a clear picture of our financial performance and earnings position.

To ensure this:

- we guarantee that our accounting and taxation practices and standards are clearly defined and regularly monitored;
- we focus on legitimate tax mitigation instead of tax avoidance
- we comply with the internal Transfer Pricing Guidelines in accordance with OECD requirements, which specify the rules and responsibilities for non-banking transactions of Erste Group

1.9. Supply chain management

We select and enter into contract with our contractual partners (suppliers) based on the quality, availability and price of the goods and services, and also expect our partners to maintain a partnership with us in compliance with the spirit and provisions of the Code. Our aim is to establish sustainable, long-term relationships with our suppliers, which are based on mutual trust, transparency and adherence to our Code.

To ensure this:

- we define minimum standards in our supplier contracts that must be complied with regarding processes and products;
- we investigate any suspicion of a possible violation of the Code and invite suppliers to inform us about any such violations
- we terminate any cooperation with suppliers whose practices are unacceptable or whose performance is unsatisfactory;
- The protection of business secret is ensured regarding suppliers as well, we protect the business secret of our partners in the same way as our own secrets, we also ensure with regard to our business partners that only those can have access to such information for whom it is absolutely necessary in order to perform their tasks at work.
- we endeavour to establish long-term relationship with our business partners, our conduct towards them is characterised by professional awareness, honesty, readiness to take the initiative, helpfulness and a sense of responsibility.

1.10. Relationship with supervisors, authorities

We establish and maintain a pro-active and transparent dialogue with regulators and supervisors both on a regular and ad hoc basis.

To ensure this:

- we establish and maintain effective procedures to ensure regulatory compliance, including clear processes for regulatory reporting;
- we support regulators in their efforts to optimize and maintain local and international regulatory standards;
- we permanently update regulatory knowledge and understanding within Erste Group
- in case of request we ensure effective and fair cooperation to the representatives of the authority.

2. Our colleagues, we believe in

They are aware of, and comply with the legal regulations and internal rules governing the tasks of their jobs, perform their tasks in the course of work properly, in compliance with the professional rules and expectations, bearing in mind the interests of customers, partners and Erste Group.

They do not propose, support or tolerate any procedure/activity/conduct which may result in a customer's violation of the law, including breaching any obligations towards the state (e.g. tax rules). They are aware of being obliged to call the customer's attention to the statutory provisions he/she might want to breach.

They are aware that failure to comply with the rules of the fight against money laundering and sanction rules may, in addition to the establishment of labour law liability, also entail criminal liability, therefore their observance is of high priority.

They are aware that during their daily work they may gain inside information which is prohibited to misuse, the breach of rules regarding insider trading and market manipulation may also trigger consequences under the criminal law. The fundamental principle of "need-to-know" means that any employee should only have access to information which is indispensable for the fulfilment of his/her responsibilities. The disclosure of any further information is restricted. In case of gaining access to inside information, it is prohibited to deal with securities issued by a company concerned by the information, it is relevant for close relatives as well.

They are aware that in accordance with their job and daily work or having a position they can not behave in such way that may result in conflict of interest. Erste Group endeavours to prevent conflicts of interest, for this purpose, as a rule of thumb, the employees are required to report if they detect an actual or possible conflict of interests between themselves, or the persons must be taken into consideration regarding conflict of interest, the business interests of the latter and the interests of Erste Group or Erste Group's customers. Employees are obliged to cooperate in quick and effective resolving of conflicts of interest.

They behave in such way that does not even give a chance for showing bribery or corruption. In case employees get in touch with officials during their work they cannot accept or offer any advantage, money, gift or any other valuables only when permitted under the *Group Anti-Corruption Policy* in force.

They are aware that acceptance of any money, securities, cash substitute or gift voucher is strictly prohibited irrespective of the amount or the position of the employee receiving the gift. Non-cash type gifts (tangible gifts, service, etc.) may be accepted up to the limit defined in the “*Compliance Policy*” in force, based on the permission of the organisational unit/individual defined therein as approver. The supply of money, securities, cash substitutes, gift vouchers and non-cash type gifts (tangible gifts, services) is prohibited irrespective of the amount or the position of the individual receiving the gift, unless the gift is provided within the framework of, or in relation to an action, campaign or marketing event officially organised by Erste Group.

They bear in mind to protect the property of Erste Group, the customers and the suppliers as well as the condition of such properties, they use all technical and other devices (e.g. computers, photocopiers, furniture etc.) entrusted to and used by them properly, and any negligence, wastage or unauthorised use relating to the assets qualifies as an ethical violation. The software purchased or developed by Erste Group must not be copied or used for private purposes. Misappropriating the assets entrusted to them (“alien property”) will constitute a criminal act.

They are aware that the name, logo and trademark (including the corporate header, websites, social media pages, blogs), facilities or relations of any member of Erste Group may not be used for any personal or private purposes, employees cannot pretend without proper authorization that Erste Group takes part in achieving either business or private goals of its employees or third parties. Customers and third parties may stay in the Erste Group’s premises officially open to customers only for the purposes of using the Group’s services and for a time required for such purposes, in premises officially not open to customers third parties may stay only for business purposes with the approval and personal responsibility of the relevant employee. Any deviation from that rule (e.g., entry and stay of relatives) requires the approval of the direct line manager of the relevant employee.

In case of gaining access to business secrets they must keep them confidential without any temporal restriction, based on the obligation of confidentiality facts, information, solutions or data falling within the scope of business secrets cannot be disclosed to third parties without Erste Group’s authorisation and cannot be used beyond the given task.

They are aware that for the purpose of business secret protection topics that can contain business secrets may not be discussed in public, in the media, on the Internet or social network websites. Likewise, they must also be careful during communication through mobile phones or other communication tools and in situations when others can overhear or see confidential information (e.g. open-space, a telephone in loudspeaker mode). No one may use business secrets to obtain benefits directly or indirectly, whether for themselves or for others, or to cause Erste Group any disadvantage.

They are aware that the authority investigations and internal investigations shall support the appropriate operation of Erste Group by revealing possible issues and erroneous processes and facilitating finding a quick solution thereto, for this each employee is obliged to cooperate in any investigation conducted by duly authorised internal organisational units and external organisations having valid and effective authorisation. In each case employees must provide true and complete information based on facts and may not falsify or withhold any important information concerning the investigation under any circumstances. There is no obligation for accusing themselves or any of their relatives by committing crime or minor

II. We value - Customer

We exist because people strive for financial independence. We are there to make this possible by providing accessibility of our products and services for everybody. Meeting and exceeding our customers' needs is the foundation for sustainable business success. We develop our products and services on the basis of these needs and meet our obligations towards our customers.

1. Principles and commitments, we believe in

1.1. Provision of services of the highest quality, fair disclosure of information to the customers

We are committed to providing services of the highest level corresponding to the real financial demands and risk assumption abilities of the customers and to the comprehensive disclosure of information to the customers.

To ensure this:

- We are committed to provide service of the highest quality, hence we regularly perform customer satisfaction surveys in order to get to know the opinion of our customers and improve the quality of our services adapting it to the customers' demand.
- We make every effort in order to provide fair and comprehensive disclosure of information to customers about services.

1.2. Accessibility of our products and services

Our products and services are accessible to all individuals through a variety of distribution channels.

To ensure this:

- we create an environment where special needs customers (e.g. those with disabilities) have adequate access to our products and services;
- we provide up-to-date technology and assist our customers in

using these access options;

- we align the opening hours of our branches and of our advisory services to customer needs and provide extended self-service zones
- we foster financial inclusion among those individuals in the regions in which we operate who are socially or financially disadvantaged or excluded.

1.3. Comprehensibility and transparency

Transparency has basically dual role in banking sector. On one hand the transmission of information, on the other hand comparability. It is priority that financial products to be presented comprehensibly and comparably in the prospectuses and in oral explanations as well. We encourage and apply these principles in our practice by all possible means. Comprehensibility and transparency in product communication and pricing are important to us. We support our customers in making competent financial decision. For reasons of transparency we provide comprehensive information to both the public and regulators at regular interval.

To ensure this:

- we keep our customers informed, through appropriate channels, of the products and services from our offer which best meet their current needs

- we provide transparent information on pricing, fees and charges
- we promote our customers' financial literacy.
- we disclose information in a full, fair, accurate, timely and clear manner;
- we comply with the applicable industry standards in our financial and non-financial reporting

1.4. Responsible product development and marketing

We foster a culture that is based on treating our customers fairly and with respect.

To ensure this:

- we research our customers' needs and views on our products and services;
- we use a product development process which ensures compliance with the applicable quality and security standards
- our marketing campaigns are based on respect and do not include images or messages which are offensive or libellous;
- our marketing materials are clear, balanced, trustworthy and not misleading

1.5. Responsible lending

We are committed to responsible lending practices.

To ensure this:

- we limit our lending volumes to amounts that our customers can most likely afford to repay
- we market and sell our lending products in a responsible manner;
- we work with our customers to find solutions to any financial difficulties which they may encounter

1.6. Data protection and privacy

Our relationship with customers is based on mutual trust, therefore the most important principle is discretion. The requirement of discretion exists from the moment of getting into contact with a third person, irrespectively whether this person eventually becomes a customer or not. We respect our customers' right to privacy and handle customer data confidentially and with the utmost diligence and care, in fully compliance with provisions of GDPR³.

To ensure this:

- We adequately protect and manage the banking secrets, securities secrets, personal data of customers and other information which is available to Erste Group relating to them and which must be protected under various confidentiality provisions, we guarantee that only those employees can have access to such information for whom it is absolutely necessary in order to perform their tasks.
- In order to keep banking secrets, securities secrets or secrets must be protected under other confidentiality provisions and to adequately manage personal data we continuously develop our systems and train our employees who can potentially have access to such information
- we guarantee maximum confidentiality when gathering, processing and storing customer data;
- we do not disclose privileged customer information without our customers' consent unless such disclosure is required by law ;
- we require all our employees to strictly comply with these confidentiality rules, even after termination of their employment
- we do not misuse customer data
- we also require that our service providers commit to these privacy and data protection standards

³ Adatvédelmi Tájékoztatónk: <https://www.erstebank.hu/hu/adatkezelesi>

1.7. Dealing with complaints

We respond adequately and effectively to complaints and feedback, thereby contributing to our customers' satisfaction.

To ensure this:

- we take responsibility for any mistakes we make and act promptly to resolve complaints using discretion and sensitivity

- we analyse the root causes of complaints on an ongoing basis and take prompt action to resolve them;
- we inform our customers of the procedure for filing a complaint, including their right to refer unresolved issues to the relevant supervisory authority
- we offer complaint management training to our employees

2. Our colleagues, we believe in

Their behaviour towards the customers is characterised by professional awareness, honesty, readiness to take the initiative, helpfulness, sense of responsibility, attention, discretion, civilized tone, tactful and patient conduct and communication without any loud or extreme statements. They endeavour to establish a long-term relationship with customers; however, they always remain independent in the relationship with a customer.

During their work, they are aware that risk awareness is important while providing financial services – especially during lending; they do not impose the customers or Erste Group to risk not rational and not properly approved.

For the purposes of protecting personal rights, they refrain from any conduct that is insulting, threatening, hostile or humiliating towards other employees, customers or partners.

They strengthen with their statements the positive image of Erste Group and refrain from any conduct which may damage the reputation of the Group given that employees represent Erste Group towards third parties.

They pay attention not to disclose any fact in their statements which may affect the image, reputation of Erste Group, certain professional areas, colleagues or managers negatively, and they do not express their opinion on issues in which they have no reliable and accurate information (e.g.: "allegedly..., I have heard... etc.").

In their personal relationships with the customers they endeavour to make the customers understand the conditions of the product offered/sold to them and to enable them to consider the inherent risks.

They keep all banking and securities secrets as well as other data and information which must be protected under various confidentiality provisions and of which they get to know without any limitation in time. Such information may be disclosed to third parties only on the basis of the customer's written consent or in cases determined in the concerning laws. Meeting confidentiality obligations is not merely an ethical requirement as their violation is also sanctioned by the Criminal Code.

III. We value- Employee

Our corporate culture promotes respect and equal opportunity and enables personal and professional development. The services we provide to our customers give meaning to our work. We recognise that a positive work-life balance promotes sustainable performance which benefits all our stakeholders.

1. Principles and commitments, we believe in

1.1. Erste Group, as a workplace

Our business is about providing services to people, by people. Therefore, we put people first.

To ensure this:

- we abide by the highest ethical standards and act with the utmost integrity in everything we do;
- we take into consideration the employees' interest and respects their individual rights. Individual rights can be restricted if the restriction is necessary and proportionate to achieving the objective reasons strictly related to the employment relationship, employees are informed in advance regarding any restriction of their individual rights, its condition and term as well. Employees can be requested to make declarations and disclose data which not offend their individual rights and reasonable from any aspect of the establishment, performance and termination of the employment
- we meet the statutory requirements relating to the management of personal data and information qualifies as bank secret, securities secret collected concerning the employees and available to us, we guarantee that only those employees can have access to such information for whom it is absolutely necessary in order to perform their tasks at work
- we inform our employees on managing their personal data, we can disclose any data, fact, opinion regarding our employees to

third person only in cases specified by the legislation and with the consent of the concerned employee.

- employees can only be controlled in connection with their work, the method, measures and the control itself cannot offend the dignity of the human being, employees are informed in advance regarding the methods and measures applied during the supervision.
- we value and respect each other regardless of our position;
- we provide a work environment that is free from any form of harassment or intimidation;
- we abide the private life of our employees
- we promote teamwork and recognise the importance of each individual's contribution to the achievement of common goals.

1.2. Equal opportunity, workforce diversity and inclusion

Companies that are committed to diversity and inclusion build business more effectively, have higher customer satisfaction, better brand image and more engaged employees. Equal opportunity, diversity and inclusion are fundamental principles embedded in our corporate culture and key competitive advantages that drive our business success.

We see diversity and inclusion as a vital part of our business strategy and key for attracting the best and brightest talents, who are able to offer the right products and services to a diverse client base.

Innovation and growth can only come by leveraging the skills and abilities of individuals with a broad range of educational backgrounds, professional and other interests, work experiences, life experiences and cultural perspectives.

To ensure this:

- We are firmly committed to creating conditions for greater diversity in decision-making bodies as well as a work environment where each and every employee has equal opportunities to grow and develop, we promote and encourage diversity in leadership positions, especially with respect to gender, age and nationality;
- We are committed to support those aims which are connected to equality by gender, good health, general well-being, strengthen the principles of respect, diversity and inclusion, we leverage the diversity of our workforce to benefit the entire organisation.
- We foster a culture of inclusion, strive to ensure equal opportunities for all our employees in all areas, e.g. career development, work-life balance, remuneration, etc.;
- We put emphasis on providing a work environment free of discrimination and harassment, valuing the work and worth of each and every person, regardless of gender, age, marital status, sexual orientation, disability, race, skin color, religious or political affiliation, ethnic background, nationality, citizenship or any other aspect unrelated to employment, and recognize that a healthy working environment which helps to find a balance between professional and private life and brings benefits to all our stakeholders.
- We support those aims which promote equal opportunities in employment, including the cultural and physical integrity of disadvantaged employees.

To ensure the above mentioned, Diversity Officer is appointed at Erste Group.

1.3. Prohibition of discrimination and harassment

Discrimination based on the citizenship, nationality or family status of individuals (including also registered partnership in compliance with the respective laws and regulations), age, sex, race, colour of the skin, sexual identity, sexual orientation, political views, party preference, religion, cultural preference, origin, disability or the difference of any other personal characteristic feature protected by law is absolutely unacceptable.

We strictly prohibit and can not accept such behaviour which is based on intimidation, especially if someone use this to draw other person on to act against internal regulations or laws. We are trying to create a work environment where diversity is accepted and where individual differences are valued and respected.

To ensure this:

- we ensure continuous trainings in the spirit of strengthening awareness in order to prevent, avoid any form of discrimination and harassment
- we support our colleagues to report, if they feel being a victim of any discrimination or harassment
- we strongly and clearly prohibit exposing any negative consequences against any employee who exercise their reporting rights and make a report in good faith, furthermore any manager applying any sanctions against an employee making such a report shall expect legal consequences.

1.4. Fair working conditions and remuneration

Employees are entitled to fair and favourable working conditions.

To ensure this:

- we regularly review and benchmark our work environment;

- we act on feedback provided by employees or their representatives;
- we offer fair and competitive remuneration linked to sustainable performance;
- we assist our employees with internal placement and outplacement in the event of job restructuring.

1.5. Employee development, training and learning

We provide our employees with opportunities to grow and develop both professionally and personally.

To ensure this:

- we offer a wide range of programmes dedicated to talent development, professional-knowledge training, soft-skills training, mentoring, coaching and leadership development.

1.6. Occupational health and safety

At Erste Group, employees have a right to be safe and healthy.

To ensure this:

- we provide a safe workplace and strive to eliminate work-related injury and disease;
- we comply with all regulatory requirements and contribute to the promotion of workplace health and safety.

1.7. Dealing with conflicts

We are committed to addressing employee grievances appropriately and resolving conflicts in a sensitive, fair and constructive manner.

To ensure this:

- we offer our employees support and provide them with access to various channels for assistance, always making sure that their right to anonymity is preserved;
- we keep our employees informed of the status of their grievance at each step of the process and respond within reasonable time frames.

1.8. Freedom of association and expression on workplace matters

Our employees have the right to organise and to voice their opinions freely.

To ensure this:

- we respect employees' right to association, freedom of expression and collective action, provided they do not infringe upon the rights of others;
- we do not discriminate against employees on the grounds of their membership in representative organisations, e.g. trade unions;

2. *Our colleagues, we believe in*

At the workplace

They proceed only in matters belonging to their jobs. They follow the instructions of their superior(s) in the course of their jobs and perform their tasks with due care and diligence, and initiatives, with utmost use of their capabilities and professional expertise, in time, in compliance with the provisions of the legal regulations on confidentiality and the principle of mutual cooperation with colleagues. However refuse to perform any instruction, if the execution thereof would impose a direct and severe risk on the life, physical safety or health of any other person, and if such actions would violate the provisions of the law or rules of employment, or it would cause a direct severe risk on the life or health of the employee.

They do not conduct any political or religious activity or agitation at the workplace, Erste Group does not prohibit, but does not support in any form such activities outside work.

They spend their working hours with work without disturbing the work of other employees with their habits or conduct.

They appear at the workplace in a condition suitable for work, accepting and complying with the rule that prohibits the use of any banned substances (drugs) modifying or influencing their minds, with the exception of medical drugs prescribed by a physician, and work performed under the impact of alcohol.

They comply with the working hours and deadlines exactly, appear in business and work meetings on time, and arrange for a substitute in case they are hindered.

They take responsibility for decisions made within their competence even if they made a mistake.

They comply with the health and safety regulations (fire safety, labour safety, bank security) for the safety of their own and their colleagues.

They report immediately if they are unable to perform their work due to any reason (illness, family reason, traffic obstacle, lack of information or tool, etc.)

Employees maintaining contact with customers directly participate in sales competitions fairly by showing adequate conduct and complying with the terms and conditions of the competitions and the spirit thereof.

For the purposes of protecting personal rights, they refrain from any conduct that is insulting, threatening, hostile or humiliating towards their colleagues, their behaviour towards colleagues is characterized by attention based on professional awareness, discretion, civilized tone, tactful and patient conduct.

Regarding employees, they keep all personal information, banking and securities secrets as well as any other data and information which must be protected under various confidentiality provisions and of which they get to know. Such information may be disclosed to third parties only on the basis of the employee's written consent (or, in certain cases determined by the statutory provisions, an appropriate briefing is also sufficient) or in cases determined in the laws.

They are aware that not allowed to disclose any information they have obtained about other employees (salary and other benefits, personal data) to unauthorised persons, even within Erste Group. Should someone obtain such information deliberately and without proper authorisation, this will qualify as an ethical violation in itself, irrespective of whether he/she has used the information or whether he/she has actually caused a detriment to somebody or acquired an unlawful advantage.

They are aware that the IT tools made available to the employees (in particular: computers, laptops, mobile phones, landline phones, fax and other electronic communication tools) can essentially and mainly used for business purposes; they can only be used for private purposes exceptionally, if it does not hinder work. The electronic mailing system can only be used for personal purposes in such a manner and to such an extent that does not interfere with or hinder the completion of the obligations arising from the employment relationship and it may not violate individual rights or the interests of Erste Group. The employees acknowledge - by means of the separate Data Management (consent) Statement and signed by every new employee and every person in an employment relationship or in any other employment-related relationship - that their private correspondence is controlled and limited in the same way as their standard business correspondence. The above rule is also applicable to the use of the Internet as well as to all private data and documents stored in the IT systems of Erste Group. Erste Group reserves the right to demand that the employees delete their private data and documents if necessary.

They are aware that the IT tools, the mailing system and the Internet may not be used for any unauthorised purposes which violate or endanger the reputation, integrity or interests of Erste Group or its customers, employees, competitors or business partners. Protection of business secrets, bank secrets, securities secrets must be ensured while using the IT tools. It is strictly prohibited to give access to the IT tools for customers, suppliers or to any other third parties without proper authorization. The relevant statutory provisions must be observed in all cases. The disclosure of business secrets, bank secrets, securities secrets, personal data or any other confidential information concerning Erste Group or its customers is strictly prohibited. It is not allowed to connect to the Internet from the workplace for the purpose of downloading, uploading, storing or forwarding illegal, offensive, insulting, degrading or obnoxious materials, or for any other purpose that contrasts with the principles and rules laid down in the Code of Ethics or with the applicable statutory provisions.

They are aware that it is strictly prohibited to use Erste Group's instruments and systems (including those to which provides access), especially the mail system and the Internet, in any way that violates the principle of no discrimination or harassment. This applies also to the downloading and uploading, forwarding and saving of "jokes", images, stories, video recordings and any other content (including sexual, ethnically opprobrious content, or any other content achieving harassment, shock, insult or humiliation) which violates the above rule. If a message containing

unacceptable information is received from another employee or from an external party, it shall be deleted immediately and the sender must be warned that forwarding of such letters violates the provisions of Erste Group's Code of Ethics and be requested to refrain from sending such messages in the future. If the content is especially insulting or humiliating or otherwise harassing or shocking nature, it needs to be forwarded to the Compliance Officer.

Visiting social network sites is not permitted, however it is possible to get access for these kind of websites if it is necessary for the employee for performing his duty. It must be strictly avoided during making any statement by employees on their own behalf that the readers or the public may misinterpret it as the statement of Erste Group. Employees should be especially careful while using social networking websites taking into consideration the high risks of fraud, phishing and other possibilities of abuse.

They bear in mind that Erste Group with a considerable customer scope operates for the greater public, and the image developed about it and its business activities pay a significant part in its market operation. Accordingly, all forms of publicity - as one of the main influences on public opinion - are of key priority and shall be regarded with particular attention. Erste Bank is a brand, therefore it is very important to forward the messages which form the related image to the appropriate target groups and to ensure continuous publicity as regards the products and services. The Director of Marketing and PR Directorate is responsible for the media activities. All requests from the press must be directly forwarded to the Director of the PR Directorate. A breach of this rule may entail legal consequences. Employees are not entitled to make statements individually and may only make a statement to the press if the PR Directorate has expressly requested them to do so or has given them permission. The prescriptions must be applied for those cases when the employee makes media statements as a private individual and not in connection with activities of Erste Group.

During internal communication in Erste Group they bear in mind, that it is a joint interest of the employees to have effective internal horizontal and vertical communication. Refusal of cooperation, cooperation and forwarding of information depending on preferences, and withholding or alteration of information are unacceptable. The managers are responsible for making sure that the necessary internal information reaches the employees, yet each employee must ensure that any information obtained by them and useful for the management is forwarded to the line manager in time.

They pay increased attention to mutually polite conduct complying with the ordinary conventions in the relationships between colleagues and between managers and employees, in the course of both verbal and written communication they refrain from using any expression that infringes the human dignity of, or humiliates other colleagues, or is hostile or threatening to them.

They are aware that during Home Office work they are also obliged to keep the effective information security and other provisions which are relevant in connection with office work.

They are aware that it is forbidden to forward internal communications (news, newsletters, other information) outside.

Managers

They are aware to be expected to show an exemplary conduct, to comply and to enforce requirements in compliance with the principles of this Code, and to be consistent in their responsibilities above these basic principles.

They are primarily responsible for defining an ethic work environment with their exemplary conduct. Consequently, their general conduct must comply with high-level requirements of the protocol and behavioural culture. They are accessible and visible at all times, they give and receive feedback in order to improve. They promote diversity and innovation, and encourage a sustainable, value-based performance culture.

They are aware that it is highly expected from them not to deal with rumours, false or unrealistic rumours, not to pass, not ensure them; nevertheless information originated from authentic sources and relevant - and can be available - for employees should be shared with their colleagues immediately.

They are fair and consistent in their working relations, and refrain from any conduct that may infringe the human dignity of their colleagues or the requirements of fair treatment.

They put in place adequate organisational, personal and physical conditions for work within the scope of their capabilities, including appropriate training of employees in order to be able to provide high quality of service for customers.

They show an example in training and self-training, in accepting professional innovations and they aim at high standards.

They promote the training of the colleagues, evaluate the performance of their employees and give adequate feedback on regular basis, they recognise qualified work and facilitate professional training and self-training in line with the interests of Erste Group.

They refrain from exceeding their competence, and avoid doing any unprincipled favours or the acceptance thereof.

They aim at building and maintaining good cooperation with other organisational units and forwarding information horizontally and vertically

In private life

They are aware that their behaviour in private life (beyond the working hours) also plays a role in shaping the image of Erste Group. They strictly avoid that statements made on their behalf should be wrongly interpreted by concerned, or by the public as Erste Group's position. They are responsible for their behaviour in private life, hence they have to comply with Erste Group's ethical principles beyond the working hours as well; they have to expressly refrain from actions or manifestations offending or endangering the Erste Group's reputation, legitimate business interest or the purpose of the employment relationship orally, or in written via printed, electronic or online platform.

They are aware that in any organisations (political, religious, cultural communities, etc.) they may only make statements as private individuals and shall refrain from referring to their workplace. If employee is a member of a political party, he cannot make statements on behalf of Erste Group during his political activity, furthermore he cannot refer either to his work or to the interest of Erste Group during making any statements. They cannot exercise their freedom of expression by offending or endangering the reputation, legitimate economic and organizational interests of the employer, and they must avoid extreme, abusive, rude, in any other way outrageous, insulting, degrading manifestations.

They meet the requirements of the Code of Ethics during visiting Internet sites, social networks (Facebook, Twitter, Instagram, LinkedIn, etc.), they refrain from such behaviour in their private life which may directly offend or endanger either the reputation, legitimate economic and organizational interests of the employer or the aim of their employment.

While creating their profiles they pay attention to that they can indicate their particulars included in their business card, except their e-mail address. (However it is highly recommended to indicate the least possible information regarding the employer and to apply settings so that these data can only be seen by the confirmed friends of the user and not anybody.) If they indicate on their profile that they work for Erste Group, they take into consideration that the pictures and information shared on their profile can influence indirectly the appreciation of Erste Group, therefore they pay attention to be in line with the expected behaviour defined in the Code during creating/updating their profile.

In addition to the above while using the other possibilities of social media, deliverance (e.g. blogs) they also take into consideration to express their point of view, opinion as a private individual and they should refrain from indicating their employer. They cannot refer to Erste Group or to their job in their entries, blogs. They cannot exercise their freedom of expression by offending or endangering the reputation, legitimate economic and organizational interests of the employer, and they must avoid extreme, abusive, rude, in any other way outrageous, insulting, degrading manifestations.

IV. We value – Social responsibility, environmental awareness

Supporting the development of civil society was one of the fundamental tenets underlying the foundation of Erste Group. It is part of our tradition and philosophy and still determines our corporate actions today. Nowadays, companies have to take a wider range of social responsibilities than in the past, which cannot be confined to the economic consequences of their activities, but it means more extensive, more complex new tasks for them.

Erste Social Banking project is the cooperation of Erste Foundation and Erste Holding, with the aim of breaking down barriers to social and financial integration and eliminating exclusion with innovative solutions. In Hungary, the focus of work is on improving the quality of life of disadvantaged people by development of social enterprises in the areas of social and health care, education, housing and employment.

Erste Group sets an example in the field of environmental awareness not only of its services, but also of its provisions for the purposes of environment protection. It is our firm conviction that commercial activities and environmental responsibility are not mutually exclusive. In order to protect the environment we place great emphasis on the use of renewable energy, energy efficiency and sustainability.

1. Principles and commitments, we believe in

1.1. Financial literacy

Financial literacy is important to us, since people can use their knowledge to make competent financial decisions in all areas of life thus improving the financial situation of individuals and society as a whole.

To ensure this:

- we meet our quality criteria for all projects concerning financial literacy;
- we convey the knowledge necessary to make informed decisions on financial matters.

1.2. Community involvement, volunteering program

We support projects that address the needs of society. Our commitment to our customers and to Hungary, besides our banking and investment services, is also demonstrated by our social role. Erste Group's corporate volunteering programmes

enable our employees to contribute to the development of society.

To ensure this:

- We consider as a matter of outstanding importance and as a part of our business strategy to reach our customers not only through our high-quality and diverse financial services, but also to take an active part in dealing with issues of society
- Year by year we are committed to supporting the socially deprived, institutions, initiatives and projects in the fields of social affairs, art, sports, culture, education and the environment
- In addition to establishing a relationship between Erste Group and the society organizations, we ensure our employees time to participate in volunteering activities. We believe that we are not only a financial institution, but solution to life situations, which sometimes require personal contributions from us. In the framework of our CSR program called "+1 made", we launched our volunteer program "Community Teamwork" with the active involvement of our employees in 2015, where all

employees can experience the power of the community and the pleasure of direct assistance.

1.3. Environmental awareness

We monitor the impact of our operations on the environment and raise awareness of it.

To ensure this:

- we develop an environmental policy and management system;
- we incorporate environmental criteria into our banking products and services;
- we optimise the use of natural resources (e.g. water, energy, fuel and paper consumption) in our operational processes;
- we raise awareness amongst our employees and stakeholders by proactively communicating our environmental policy.
- In early 2016, Erste Green initiative was launched, a voluntary

organization of colleagues to achieve environmental goals. Its primary purpose is to raise awareness, educate and increase the commitment of our colleagues to the environment.

1.4. Climate change governance

We place great importance on raising awareness about the climate-related impact of Erste Group's operations.

To ensure this:

- we annually measure and report our greenhouse gas emissions and carbon footprint;
- we strive to substantially reduce our greenhouse gas emissions over the next years.

2. Our colleagues, we believe in

They are aware of the importance of social responsibility and volunteering activities.

They pay special attention to environmental work.

Their work is characterized by energy awareness, keeping in mind the efficiency of the energy used (especially in the winter season for heating and cooling in the summer), careful and conscious operation and economical use of equipments and devices, avoiding unnecessary energy consumption in order to save electricity.

During their work, they seek to saving in paper use, they consciously pay attention to the selective collection of waste.

V. We value - Transparency

Whistle-blowing System

The purpose of the Whistle-blowing System is to enable all employees, customers and contractual partners of Erste Group to report any abuse, violation of rules even anonymously. Compliance, AML and Fraud Prevention investigates the reported cases and establishes whether any violation of the rules has taken place, and takes the necessary steps needed to solve the case.

Events to be reported

Events to be reported may include especially any abuse, violation of regulations, unethical conduct, theft, fraud, embezzlement, fraudulent management, breach of economic secret and any other crime that may constitute a risk for Erste Group. Any - deliberate or negligent - event may also be reported if it may lead to a potential loss or provide an opportunity for the violation of the business/shareholder interests of Erste Group.

We expect all our employees to report immediately any suspicion or attempt of fraud, the disappearance of cash and cash substituting payment instruments or securities without any logical explanation, or any suspicion of crime immediately.

Any violent threat or action (e.g., sexually, racially or religiously motivated harassment, discrimination) taking place at the workplace and falling within the scope of this Code of Ethics must also be reported immediately.

Reporting channels

Erste Group provides the following opportunities for reporting:

To employees:

- anonymously on the intranet via a system specifically developed for such purposes (Intranet\Applications\Reporting of abuses)
- personally to an employee of the Compliance, AML and Fraud Prevention
- by e-mail EBH FPT EB_HU or FPT@erstebank.hu

To customers and third parties:

- on a Whistle-blowing interface specifically designed for this purpose on the Internet interface of Erste Bank Hungary Ltd.

In addition to the above, in case of questions, in the case of any violation of ethical rules or a suspicion thereof, employees may turn to the following parties for advice and consultation:

