

Pursuant to Article 45 paragraph 2 item 7 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 6/13, 70/17) and Article 33 paragraph 2 of the Central Bank of Montenegro Statute (OGM 83/17, 3/20), the Governor of the Central Bank Montenegro passed the following

CODE OF ETHICS OF THE CENTRAL BANK OF MONTENEGRO

1. Subject matter and aim

The Code of Ethics of the Central Bank of Montenegro (hereinafter: Code of Ethics) determines the rules of professional conduct that the employees shall observe with a view to preserving, affirming and promoting the dignity of employees and reputation and integrity of the Central Bank of Montenegro (hereinafter: the Central Bank).

The aim of this Code of Ethics is to improve the conduct of employees in accordance with the basic moral principles and standards of professional conduct, based on universal ethical principles, international norms in this field, and good business practices.

The Code of Ethics affirms, develops and strengthens the values on which the Central Bank is based as an autonomous and independent organisation.

2. Implementation

In the performance of their duties, employees shall behave in a way to ensure the compliance with the highest standards of business conduct and political neutrality, ensure commitment to tasks and duties and loyalty in their performance, avoid conflict of interest, prevent any damage to reputation of the Central Bank, ensure data protection and confidentiality as well as the prohibition of disclosing confidential information.

Employees shall act in accordance with the rules established by the Code of Ethics, in a consistent manner and in the spirit of promoted values.

Conduct in accordance with the established Code of Ethics represents the minimum expectation from the employees in the Central Bank and should encourage them to strive towards the highest standards of professional and ethical conduct in their work.

A separate code of ethics may be adopted for individual organisational units, depending on the nature and specific nature of their work.

Violation of the rules of conduct established by the Code of Ethics is defined as a serious violation of work obligations, which entails accountability for the violation.

3. Rules of conduct

3.1. Legality

In performing their duties, the employees are obliged to familiarise themselves and act in accordance with the Constitution, law, ratified international agreements and other regulations passed on the basis of the Constitution and laws, including the Central Bank acts.

The employee authorised to make decisions in the Central Bank shall make decision in accordance with the relevant regulations and within the scope of granted authority, guided primarily by the interests of the Central Bank and applying high professional standards.

3.2. Independence and impartiality

Employees shall be independent in the performance of their duties in the Central Bank and they may not receive or seek instructions from authorities or any other authority and organisation or any other person when performing their tasks and duties.

Employees shall perform their tasks and duties impartially, objectively and without prejudice or discrimination in relation to race, colour, faith, national affiliation, social or ethnic origin, connection with a minority nation or minority national community, language, religion or belief, political or other opinion, gender, gender reassignment, gender identity, sexual orientation, health condition, disability, age, property status, marital or family status, pregnancy, group membership or assumption of group membership, political party, trade union or other organization, or any other personal characteristic and any other diversity, thereby respecting and protecting the basic human rights established by the Constitution, law and the Convention for the Protection of Human Rights and Fundamental Freedoms.

3.3. Political neutrality

Employees shall observe the principles of political neutrality and shall not express their political beliefs in the workplace, nor in any other way cast doubt on their impartiality and neutrality in the performance of their tasks and duties.

Employee is prohibited from wearing and/or visibly displaying political party symbols or bringing propaganda material in the official premises of the Central Bank.

Employee is prohibited from influencing the political commitment of other employees of the Central Bank.

Employee is forbidden to be guided by his political beliefs in the performance of his work, to express and represent them.

Employee is prohibited from engaging in political activities during working hours and on the premises of the Central Bank.

Employee may engage in political activity exclusively in his own name. Employee is expected to refrain from public speaking at political gatherings, membership in political party bodies and from any other behaviour that may raise doubts about his political neutrality and/or independence of the Central Bank.

3.4. Professionalism, commitment and responsibility

Employee shall perform his tasks and duties conscientiously and responsibly, in accordance with the rules of the profession.

Employees are expected to invest their maximum efforts and knowledge in order to achieve the best results in performing the work entrusted to them.

Employee has the right and obligation of continuous professional development and improvement of the acquired knowledge and skills.

Employees should have a full understanding of the importance of the Central Bank as an institution and expectations of the public regarding their moral values and, they should strive to behave and fulfil their obligations and duties accordingly, with the aim of improving the public's trust in the Central Bank.

Employee shall develop the ability to work independently and solve business problems with an active approach to managing the work process, expressing the initiative and creativity in job performance, in order to constantly improve and innovate the manner of work.

3.5. Loyalty

Employee is expected to:

- be dedicated and loyal to the institution and fully identify with the main objectives and mission of the Central Bank;
- affirm the basic values and manner of conduct through personal and professional actions as part of the corporate culture of the Central Bank;
- in the spirit of loyalty, inform their superior officer of an offer for a potential new employment.

4. Relationship with others

4.1. Promoting the Central Bank reputation

Employees will protect the reputation of the Central Bank on all occasions, especially in situations in which they appear as its representatives.

Employees should behave in a manner that does not undermine the confidence in impartial and efficient work of the Central Bank and continuously work on its preservation and improvement.

Outside working hours, employees will not behave in a way that could have a negative impact on the reputation of the Central Bank or cast doubt about its independence and autonomy.

Employees will not behave in a manner that damages the institution's reputation, be it their misconduct or behaviour that can lead to criminal or other punitive action and/or conviction, thereby making them unfit to work in the Central Bank.

Employees shall use social media in a way that does not harm the reputation of the Central Bank, they shall not post any content that is directly related to the Central Bank, and views expressed on any occasion shall be made in personal capacity and not in the capacity of an employee of the Central Bank.

4.2. Dealing with clients

When dealing with clients, employees shall:

- act in a fair, polite and decent manner, and base their position on objectivity and impartiality,
- act conscientiously, professionally and constructively, showing interest and patience, especially towards an uneducated client,
- provide timely, correct and accurate data and information for which they are authorised in accordance with the law and other regulations,
- teach, provide assistance and information on the competent authorities for processing requests,
- be guided by the principle of equality, not giving privileges depending on political views, racial, national, ethnic or social origin, or other personal traits and characteristics,
- consistently uphold agreements,
- respect the personality and dignity of any person,
- make a clear distinction between formal and informal communication.

Employee is obliged to familiarize himself in a timely manner with important decisions and events that affect the performance of his tasks and duties and

to prepare for communication with third parties and adequate information of parties.

Employees who perform on-site supervision of entities subject to the Central Bank supervision are particularly obliged to behave strictly formally during the supervision and observe the supervision rules and procedures, maintaining thereby appropriate professional communication.

Employees, and in particular employees who perform on-site supervision of entities subject to the Central Bank supervision, are prohibited from behaving in a rude manner, acting offensively and abusing the authority of the Central Bank in their contact with third parties.

4.3. Conflict of interest

Conflict of interest arises in cases where an employee has a personal interest that is such that it affects, may affect or appears to affect the impartial and objective performance of tasks and duties.

Employee must not allow his personal interest to affect a lawful, objective and impartial performance of his tasks and duties.

Employees may not use the benefits of work they perform for the realisation of personal interests and they shall avoid every potential or actual conflict of interest.

Employees will not invoke the authority of the Central Bank in carrying out private business.

Employees are expected to refrain from participating in financial or economic transactions that may affect their independence or impartiality.

Employee's personal interest implies the acquisition of material or other benefits for themselves, their family, close relatives, friends or other legal or natural persons with whom they have private, business or political contact and cooperation.

In order to avoid the conflict of interest, employees should:

- be aware of potential or actual conflict of interest,
- take necessary actions to avoid conflict of interest,
- inform their superior officer about a possible or actual conflict of interest and state in writing the nature, characteristics and extent of the conflict of interest,
- request to be exempted from performing tasks that may lead to a conflict of interest, as well as to be relieved of accountability if he is not exempted from performing those tasks,
- act according to the decision that relieves him from performing tasks that may lead to a conflict of interest.

Employees performing on-site supervision of entities subject to the Central Bank supervision shall be particularly obliged, in order to avoid conflict of interest in the performance of their tasks and duties, to inform their superiors and the Directorate for Human Resources of any potential or actual conflict of interest and to state in writing the nature, characteristics and extent of the conflict of interests, and especially when:

- there is a connected party who is employed or otherwise engaged by the supervised legal entity, in accordance with the law governing the prevention of corruption,
- the employee who performs on-site supervision of entities subject to the Central Bank supervision or persons connected with them has any kind of financial interest or ownership and controlling share in equity of the supervised legal entity.

After assessing the existence of a conflict of interest, the Governor or a person authorized by the Governor may decide to exempt the employee from performing tasks that are the subject of a conflict of interest.

4.4. Gifts and benefits

Employees are prohibited from:

- seeking or accepting, either directly or indirectly, any gifts, privileges or benefits in any form, in particular in the form of banking services, from legal and/or natural persons that the Central Bank is in any way affiliated with;
- receiving as a gift a credit card or other payment card or a gift in the form of cash, cheque or account payment in any amount, securities or precious metal, regardless of their value;
- receiving a service, either personally or via other persons, without adequate compensation;
- arranging or receiving a gift from a bidder during and after a public procurement procedure.

Employees are allowed to receive a gift:

- of symbolic material value that is given as a part of usual business practice and customs;
- which was given on the occasion of participation in official meetings or committee meetings when such gift is also given to other participants in the meetings;
- which is given as part of relations with other central banks, government institutions, international organisations or other business partners, and which is customary in business and is of appropriate value.

Employee may receive a protocol or convenient gift whose value does not exceed 50 euros, and he is obliged to inform his superior thereof. It should be clear from the nature of the gift that it has not been given with the intention of

influencing the employee or that its refusal could negatively affect the business relationship.

Employee is obliged to report a protocol or convenient gift whose value exceeds 50 euros to the Directorate of Communications, using the form for reporting gifts, and the accepted gift shall become the property of the Central Bank.

Employee who has been offered a gift worth more than 50 euros and which cannot be considered a convenient or protocol gift, is obliged to refuse the offered gift, that is, to inform the donor that he cannot accept the gift. If the employee cannot refuse the gift nor return it to the donor, he shall report the gift to the Directorate of Communications, fill in the form for reporting gifts and hand over the gift to the Central Bank, which shall become its property as of the day it has been handed over.

By way of exception from paragraphs 3, 4 and 5 above, if the employee is a public official, he is obliged to act in accordance with the provisions of the law regulating the prevention of corruption that prescribes the value of gifts.

Employee is obliged to inform his superior about any gift that a member of his immediate family has received from a legal and/or natural person with whom the employee has a business relationship.

Frequent acceptance of gifts from the same legal and/or natural person is prohibited, regardless of their value.

4.5. Public procurement procedures

Employee who participates in the public procurement procedure on behalf of the Central Bank shall abide by all rules of conduct relate in particular to avoiding the conflict of interest, informing the superior thereof, accepting gifts and maintaining confidentiality.

During the public procurement procedure, employees will communicate with bidders only through official channels and avoid any oral communication with them.

4.6. External activities

Employees are prohibited from working outside working hours in another legal entity supervised by the Central Bank or contrary to the interests of the Central Bank, including the provision of advisory and consulting services.

Employee shall be allowed to work with another employer outside working hours if the additional work and activities do not create a conflict of interest and affect the professional and impartial performance of tasks and duties in the Central Bank, subject to a written consent of the Governor.

Employee may, as a member of a professional association, participate in a research, hold lectures in educational institutions, write professional articles or books, or engage in other similar activities in the areas that are related to his scope of work in the Central Bank, provided that they receive a written consent for these activities from the Governor. After receiving the consent, the employee may clearly state their views, which may not be contrary to the views of the Central Bank.

Employees are allowed to perform activities outside working hours in the culture, sports and humanitarian work, as well as other similar activities, as long as they do not have a negative impact on the image and reputation of the Central Bank and do not affect the quality of performance of their work duties and tasks.

Employees are expected to perform other tasks in the manner that will not damage their personal dignity and integrity or the image and reputation of the Central Bank.

4.7. Access to information

Employees are obliged, in accordance with the law and other acts, to provide accurate and complete information on matters for which they are authorised, taking care not to disclose information or the content of documents to which access is restricted.

Employees will not require access to information they do not need for the performance of their tasks and duties, and they shall use the information that is available to them in the prescribed manner.

4.8. Confidentiality

Employees are expected to keep confidential information that they learn to be confidential from their superiors, clients or other persons with whom they have a business relationship or are connected in other way in the performance of their duties, in accordance with the law and acts of the Central Bank.

Employees are also expected to keep confidential all other information and data about the operations of the Central Bank and its clients they learn about in the performance of their tasks and duties, and whose communication or disclosure could harm the reputation and interests of the Central Bank, during and after termination of their employment in the Central Bank.

Employees will not, without authorization, communicate data and/or information on decisions and/or measures that will be made or imposed, or which have been made or imposed in the ongoing proceedings before the Central Bank.

4.9. Public appearance

Employee that is to represent the Central Bank in any kind of public appearances shall obtain prior authorisation in accordance with the Statute of the Central Bank and he shall behave in a manner that is affirmative for the Central Bank.

When invited to appear in the media, employees shall refrain from interviews, disclosing and/or confirming information that has not been publicly announced. Employees shall not, on their own initiative and without the authorisation, give interviews, confirm, deny and/or provide information related to the operations and activities of the Central Bank.

During private or unofficial meetings with representatives of the media, employees shall be discrete and remain sustained on all issues concerning the operations and activities of the Central Bank, taking into account the positions of the Central Bank.

Employee will not respond to an invitation to attend or participate in gatherings, celebrations or other public gatherings organized by a legal entity under the supervision of the Central Bank, without permission.

Employee will not attend gatherings, celebrations and other public gatherings without permission if he has been invited to such events as an employee of the Central Bank.

5. Relationships within the Central Bank

5.1. Inter-personal relationships

Mutual relations of employees in the Central Bank shall be based on mutual respect, trust, tolerance, cooperation, decency and patience.

Employee will not obstruct other employees in the performance of their tasks and duties nor will they deny providing information or documents to other employees participating in the execution of a particular task or information and documents that may be of importance for the performance of their tasks and duties, especially when that is for the purpose of achieving personal benefit or causing damage to others.

Employees shall exchange opinions and information on certain professional issues if this exchange of information is commercially justified, taking into account the protection of confidential information.

Employees will not disclose information to other employees of the Central Bank who do not need it for the performance of their tasks and duties, who do not have the right to know this information and/or the exchange of information is not provided for by interdepartmental procedures.

In oral and written communication, including communication via e-mail, employees shall communicate with respect, decency, consideration and mutual trust, respecting the dignity, moral values, personality, diversity, professional knowledge, efforts and work of other employees.

Employee shall forward and share information within the scope of his profession that is important for legal and professional performance of work to other employees.

Employees will refrain from communicating statements and spreading information that are wrong, untrue or exaggerated and/or that could lead to wrong conclusions, mistakes in the performance of jobs and work tasks of other employees or which could upset them in any way.

Employees will respect the tasks and duties of other employees.

Employees will refrain from commenting and evaluating private lives of other employees.

5.2. Reporting suspicious activities

It is the duty of every employee who has learned or suspects of fraud, malpractice, theft or other similar activity against the interest of the Central Bank to report immediately what they have learned or their suspicion to their superior officer who shall then inform the Directorate for Human Resources and the Governor thereof.

Employee who has learned or suspects of jeopardized public interest indicating corruption shall submit report this to the person appointed by the Governor's decision to be in charge of receiving and processing reports by whistleblowers in the Central Bank. The report shall be submitted in writing or as a transcript of an oral statement by mail or by electronic means to the following e-mail: zastita.integriteta@cbcg.me.

5.3. Use of Central Bank's resources

Employee is obliged to take care of assets provided to him or given to him for official use, including information, data, intellectual property, technical and other equipment belonging to the Central Bank.

Employee should act with the care of a diligent owner in taking care of effective and cost-efficient management and use of the material and financial resources provided to them for official use and prevent their unlawful disposal.

Employees shall ensure the safety of information and data and prevent their unauthorised use, this including information and data stored in their computers. To this end, employee shall regularly back up data, store and

archive it.

Employee shall immediately report any loss or damage of property and, before termination of employment,:

- return the equipment provided for regular work activities (office furniture, computer equipment, IT equipment, technical devices and other devices, arts, landline phones, fax machines, and the like);
- return any professional literature, documentation and files used during their work;
- return the provided equipment they personally borrowed (notebook, USB disk, seals, mobile phones, and the like).

Employees are prohibited from misappropriating and/or using the property of the Central Bank of any kind for personal purposes, including official documentation and data, or preventing the use thereof for personal gain or in order to cause harm to others.

5.4. Proper dress code

Employees are expected to come to work neatly and decently dressed and they are prohibited from wearing attire that is not in accordance with a professional workplace and does not reflect the importance of the institution where there work.

Employee will adapt their appearance to the norms of professional appearance, taking into account the requirements of their job position, as well as specific business activities (meetings, reception of foreign delegations, congresses, conferences, seminars, and the like).

A man's business attire includes a neat and pressed suit, shirt, elegant sweater, tie and shoes. The most suitable colours for suits are black, navy blue and grey. In summer, it is allowed to wear pants and a short-sleeved shirt or a T-shirt with a collar, unless some special business activities are planned. Otherwise, shirts should be long-sleeved, with a discreet pattern and calm colours.

A women's business attire includes a skirt or dress (not shorter than 2 cm above the knee), jacket, trousers, blouse, shirt or T-shirt (provided it is not transparent, short or with a low neckline), shoes or semi-closed sandals, with discreet make-up and jewellery.

Employees who perform on-site supervision visit of entities under the Central Bank supervision are particularly obliged to adapt their professional appearance to the requirements of a strictly formal business attire.

During on-site supervision visits, employees are required to carry an identification card containing a photo, name and surname, job title and logo of the Central Bank.

6. Special provisions

Persons with special powers and responsibilities (hereinafter: designated persons) as the bearers of key activities in the Central Bank shall apply the Code of Ethics provisions in accordance with the highest moral and professional standards and thus set an example of a proper ethical behaviour.

Designated persons should point out to the employees failures in respect and application of the Code of Ethics and initiate taking action in relation to employee`s acting contrary to the provisions of this Code of Ethics.

Designated persons should take necessary actions to prevent corruption or other forms of unauthorised conduct and to take care of the implementation of the Code of Ethics.

In accordance with the above, designated persons are particularly expected to:

- promote the highest professional values by their own example of behaviour,
- treat employees as associates and partners, appreciating and respecting their individuality,
- inform employees of the Central Bank`s objectives and policies,
- timely inform employees of any change, providing them with an adequate explanation,
- create and stimulate positive working environment among employees and respect impartial views and opinions,
- provide protection against threats, attacks and other procedures that hurt the integrity of employees,
- ensure the protection of privacy,
- give negative feedback about employee's work in an appropriate manner, privately, in a timely manner and with an explanation thereof,
- pay constant attention to professional education and development, promotion, organisational culture, and
- ensure that employees act in accordance with the standards and rules of the Code of Ethics.

7. Reporting Code of Ethics violations

Employees and designated persons shall comply with the Code of Ethics and report any situation where the Code of Ethics could have been or has been violated to their superiors.

In case of any uncertainty or dilemma regarding the implementation of certain provisions of the Code of Ethics, employees shall contact the Directorate for Human Resources to obtain their opinion and instructions on how to proceed in the particular situation.

8. Public nature of Code of Ethics

The Directorate for Human Resources shall introduce new employees with the provisions and manner of implementation of the Code of Ethics.

9. Declaration of compliance

By signing the declaration of compliance with the Code of Ethics enclosed herewith and making an integral part thereof, employees confirm that they have personally familiarised themselves with its provisions and that they accept the responsibility for the non-compliance therewith.

10. Final provisions

The Code of Ethics of the Central Bank of Montenegro (no. 0102-763/1 as of 22.02.2011, no. 0102- 7800-1/2017 as of 25.09.2017, and no. 0102-3012-1/2018 as of 23.03.2018) shall be repealed from the date of entry into force of this Code of Ethics.

This Code of Ethics shall enter into force on the day of its posting on the Intranet and the notice board of the Central Bank.

G O V E R N O R,

Radoje Žugić, m.p.

No. 0102-941-1/2021
Podgorica, 09.02.2021



CENTRALNA BANKA
CRNE GORE

DECLARATION OF COMPLIANCE

I hereby confirm that I have familiarised myself with the content of the Code of Ethics no. 0102-941-1/2021 as of 09.02.2021 and that I accept the established rules of conduct and the responsibility for the non-compliance therewith.

In Podgorica,
_____ 20____.

(name and surname)

(position/function)

(signature)