



Code of Conduct

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1. Entry Note

The Code of Conduct applies to all staff of the Kreditimi Rural i Kosoves. The Code describes in a document guidelines for staff behavior, which are described in the various rules and regulations of KRK. The Code also provides guidance on how to exercise good judgment in ethical issues.

2. Introduction

Kreditimi Rural i Kosovës is based on the strong foundation of trust and respect. For us as a company it is essential to maintain a reputation for honest and fair treatment in accordance with the mission of social responsibility.

Mission

Our mission is to provide financial services to low-income clients, with a particular focus on micro, small, agricultural and other businesses in rural and urban areas, with a priority focus on agriculture and a specific attention to financial, social and environmental sustainability.

Vision

Our vision is to become a sustainable Microfinance Institution, which provides a wide range of financial services to its target group of clients while being competitive in the market.

To promote our values, KRK has designed and adopted this Code of Conduct ("The Code") to instruct all employees on the standards of business practices and ethical responsibilities. With the approval of this code, you agree that our success is based on your commitment to observe and practice the highest standards of professional and ethical conduct.

The Code describes obligations of KRK staff. At the same time, the KRK as employer has an obligation to assist the staff in these matters by giving information and advice and by being responsive to the concerns raised by staff in relation to these issues of ethical behavior. Ethical behavior in the workplace is an active process that requires you to make choices and decisions consciously and diligently and to exercise good judgment, in accordance with the ethical values of the company. Some basic guidelines to keep in mind include:

- Always act honestly and impartially when performing the duties;
- Never use privately or reveal without authorization any confidential information you will get while working at KRK;
- Avoid activities outside the workplace that may be perceived as a conflict of interest; and
- Always treat others with courtesy and in a professional manner.

No guide or code, no matter how detailed it is, can not foresee all the challenges we may face at the workplace. For this reason there are additional resources that we can use when we have questions about behavior at work. Additional resources include internal regulation for KRK personnel or laws in force. When in doubt about how to act in certain cases pertaining to the conduct or ethics at work, before you act, seek advice from supervisor or Human Resources. Also ask yourself:

Is the action legal?

Do you feel that is right?

Will it reflect negatively or positively on me or the Company?

What would a reasonable person think about my action?

Is there any alternative action that causes no ethical conflict?

Any violation of this Code by any employee may result in disciplinary measures in accordance with the regulations and the statute of the KRK.

3. General Principles

3.1 Integrity

From all KRK employees is expected to act with integrity in all official activities, avoiding any activity that would reflect to the detriment of the employee or KRK. Integrity involves being sincere, honest and with dignity.

3.2 Impartiality

From all of us is expected to act impartially. We must ensure that the expression of our personal views and convictions does not compromise the performance of official duties or the interests of the KRK. Our official behavior should at all times be characterized by objectivity and professionalism. We should not let personal relationships, including bias or favoritism, influence the performance of official duties and we should avoid situations that create a conflict of interest.

3.3 Discretion

From all KRK employees is expected to be discrete in their actions and to exercise caution and reserve in their statements related to their employee status in KRK. All employees must refrain from participating in activities that are in conflict with the interests of the KRK and would damage the reputation of the KRK. All employees must respect and ensure confidentiality of information they have available or know because of their official functions.

4. The Client Protection Principles

KRK commits not to harm clients with improper financial products and lending procedures. To accomplish this goal, the Company commits to embrace the following seven client protection principles:

- 1. Appropriate product design and delivery** - KRK will take adequate care to design products and delivery channels in such a way that they do not cause clients harm. Products and delivery channels will be designed with client characteristics taken into account.
- 2. Prevention of over-indebtedness** - KRK will take adequate care in all phases of their credit process to determine that clients have the capacity to repay without becoming over-indebted. In addition, KRK will implement and monitor internal systems that support prevention of over-indebtedness and will foster efforts to improve market level credit risk management (such as credit information sharing).
- 3. Transparency** - KRK will communicate clear, sufficient, and timely information in a manner and language clients can understand so clients can make informed decisions. The need for transparent information on pricing, terms, and conditions of products is highlighted.
- 4. Responsible pricing** - Pricing, terms, and conditions will be set in a way that is affordable to clients while allowing for KRK to be sustainable.
- 5. Fair and respectful treatment of clients** - KRK will treat the clients fairly and respectfully. They will not discriminate. KRK will ensure adequate safeguards to detect and correct corruption, as well as aggressive or abusive treatment by employees and agents, particularly during the loan sales and debt collection processes.
- 6. Privacy of client data** - The privacy of individual client data will be respected in accordance with the laws and regulations of individual jurisdictions. Such data will only be used for the purposes specified at the time the information is collected or as permitted by law, unless otherwise agreed with the client.
- 7. Mechanisms for complaint resolution** - KRK have in place timely and responsive mechanisms for receiving client complaints and resolving problems, and will use these mechanisms both to correct individual actions and to improve products and services.

5. Rules of Conduct in KRK

4.1 Loyalty

By accepting to work for KRK, you have promised to perform all the duties and functions under the authority of the supervisor.

4.2 Courtesy, respect and protection from discrimination

All KRK employees should treat their colleagues with courtesy and respect, without harassment, nor physical or verbal abuse. Throughout the time in the workplace you should avoid behaviors that, although not to the level of harassment or abuse, however, can create unfriendly or intimidating atmosphere.

KRK does not tolerate any form of discrimination, favoritism or harassment, whether gender, racial, religious, philosophical, educational, and physical or any form of discrimination as defined in the applicable laws in Kosova on protection against discrimination. To be protected from discrimination all KRK employees should follow the following points:

- Be cautious, not to use offensive words or display behaviors that are perceived or can be perceived as discriminatory or harassing.
- All Supervisors / Managers should make clear in their communications that discriminatory behavior is unacceptable and will not be tolerated.
- Notify the Supervisor or Human Resources Department if they feel discriminated or harassed or if they observe kind of discriminatory or harassing behavior.

4.3 Environment

KRK is committed to improving environmental performance and to serve the community by being a good caretaker of the environment and working to preserve valuable natural resources. The health of employees, customers and the public and protection of the natural environment are among the priorities.

KRK employees must preserve natural resources by being careful in the use of paper, materials harmful to the environment and energy expenditure.

KRK will act in compliance with legal dispositions for environmental protection in Republic of Kosova.

KRK carries out its activity while respecting the community and the environment in which it operates. KRK ensures effective use of natural resources and contributes to improving the quality of life by promoting social responsibility.

KRK supports awareness raising initiatives or campaigns related to environmental protection, social care through donations, various sponsorships, and encouragement of volunteer participation.

KRK is cautious in daily activities regarding decisions on financing, investing or participating in various projects and we respect Kosova's legislation regarding environmental protection.

Furthermore, KRK has a separate Policy and Procedure for Environmental and Social.

4.4 Cultural Diversity

KRK expects from all employees to act on the principles of tolerance, sensitivity, respect and fairness towards culture and background of other people.

All employees have the right to be treated impartially and fairly, regardless of race, color, language, political or religion beliefs, origin or culture.

4.5 Accountability

All employees should act within their authority all the time. Employees are responsible and accountable for the work they delegate to others and it is expected of them to exercise adequate supervision and control for the issues under their responsible.

4.6 Using the KRK property, facilities, and supplies

All employees are responsible to ensure that KRK resources are being used for official work of KRK and it is expected from staff to devote their time during working hours only in KRK activities.

For personal use of KRK vehicles and equipment apply the rules from the KRK Personnel Policy.

4.7 Employee Surveys

KRK values the feedback given by its employees; therefore KRK will conduct different surveys which are useful to gather insight into what is important to our employees. KRK will disseminate annually a survey related to employee engagement and satisfaction at work. These surveys will help KRK to measure and increase employee engagement and satisfaction at work, will give employees a voice, give KRK valuable actionable data that can be implemented for organizational growth and allow to compare the data to the market.

KRK ensures that employee surveys will be safe and anonymous, inclusive of all employees within the company, allowing employees' valued opinions to be heard and sharing the result with the employees.

4.8 Conflict Resolution

Managers are responsible to be available to staff who wish to raise matters in confidence and to deal with such situations in an impartial and sensitive manner. Managers should try to create an atmosphere where staff feels free to use without fear, the Company's existing channels for conflict resolution and to express their concerns regarding situations that are, or have the potential to be conflicting. KRK has a separate Grievance Policy and Procedure.

4.9 Whistleblowing

A Whistleblower is any person who reports or discloses information on threat or damage to the public interest in the context of own employment. Employees play a very important role in addressing concerns. It is the responsibility of each employee to be familiar with this Code, with KRK policies, regulations and applicable laws in the relevant area of responsibility.

Each employee has the right to request clarification or report whether he or she has reasonable suspicion or reason to report an instruction, action, transaction, practice or behavior that is in conflict with the applicable laws in Kosova or guidelines / policies / Code of Conduct of KRK.

- a) The whistleblower shall be protected from any detrimental act taken against him/her by the employer or a person who acts on behalf of the employer due to the whistleblowing in accordance with the Laws in force in Kosova, including but not limited to:
 - dismissal;
 - suspension from work or of one or more duties;
 - transfer within or outside the private entity without his consent;
 - downgrade in duty;
 - reduction of payment;
 - loss of status and privileges;
 - restriction of promotion;
 - refusal of right to attend training;
 - negative appraisal in employment relationship;
 - cancellation of a license or permit;
 - termination of a contract for goods or services;
 - other detrimental acts related to employment relationship.
- b) Any detrimental act against the whistleblower is null and void.
- c) A whistleblower in the capacity of an employee, who is subject to detrimental acts at the workplace, has the right to address the competent court.

Whistleblowing can be internal, external, or public.

- Reporting information to the employer is considered to be internal whistleblowing.
- Reporting information to a competent authority is considered to be external whistleblowing.
- Disclosure of information to the media, non-governmental organizations, through the Internet, at a public meeting, or in any other way that makes information public is considered to be public whistleblowing.

KRK contact person related to internal whistleblowing is HR Manager.

4.10 Procedure for internal whistleblowing

- a) A whistleblower submits the information to the HR Manager.
- b) The information must be understandable and must contain the details of the person against whom whistleblowing is presented as well as the facts possessed by the whistleblower.
- c) Whistleblowing can be presented:
 - in writing;
 - by mail;
 - e-mail (sinjalizim@krk-ks.com); and
 - verbally; (in this case the HR Manager compiles a written notice which is signed by the whistleblower and the HR Manager).

The HR Manager is the most suitable person who can deliver an answer for a raised concern. However, employees may require clarification at other levels. No employee will be prosecuted by KRK or its employees for reporting of a real or suspected violation of this Code or any other company policy.

4.10.1 Receiving and recording whistleblowing

The HR Manager records the received report and set up a register which must contain:

- the date of receipt;
- the name and surname of the whistleblower;
- the whistleblower's contact details;
- a brief information content.

The whistleblower shall be provided with confirmation of the filed report and a list of any documents filed with it.

4.10.2 Investigating Internal whistleblowing

- a) The procedure of investigating a whistleblowing is initiated from the moment of reporting of whistleblowing information.
- b) The employer notifies the whistleblower of the receipt or rejection of whistleblowing report within fifteen (15) days from the date of receipt of the whistleblowing.
- c) The procedure of investigation of whistleblowing shall be completed as soon as possible, but in any case not later than forty five (45) days from the date of submission of whistleblowing, unless a postponement of deadline is required from the circumstances of the case and which cannot be longer than forty five days (45).

KRK urges employees not to file anonymous reports for the following reasons:

- KRK is firmly committed to protecting employees who file reports under this Code, which is why there should be no reason to file an anonymous report;
- The subsequent investigation might be obstructed if the investigators cannot make contact with the individual raising the concern to obtain clarity or request further information;
- KRK must respect and is committed to respecting the rights of all of its employees. This includes the right of an accused person to learn the identity of his or her accuser in due course. The accuser's identity will not, however, be disclosed unless absolutely necessary for the purposes of the investigation and/or subsequent action. It will never be disclosed without having discussed this with the accuser in advance;
- In certain cases, KRK may be unable to investigate issues that have been reported anonymously.

However, KRK would rather receive anonymous reports than not having any concerns being reported at all.

6. Use and Disclosure of Information

KRK is obliged to treat client information strictly confidential, excluding cases when the client has primarily given permission or the information is requested from a supervising/ investigative authority in conformity with laws in force in Kosova.

KRK employees are responsible to protect the security of confidential information. KRK employees should not make public the information about their work without the permission of their supervisor and should not give out incorrect information. KRK employees shall not disclose confidential information related to their job.

7. Conflict of Interest

Conflict of interest is a situation in which an employee has a personal interest such, that affects or could affect the impartiality or objectivity of performing official duty. In the event of a conflict between personal and general interests, the employee must act in accordance with the general interest.

Employee's personal interests include any advantage for himself, his family, relatives up to the second level for individuals or organizations with whom the employee has or has had business or political ties. Conflict of interest also includes any kind of financial or civil liability of employees.

When an employee is aware that such a situation exists, it is required they:

- verify whether there is a possible actual conflict of interest;
- take necessary steps to avoid such a conflict;
- inform immediately, on his/her own initiative, the direct supervisor for the possible actual conflict of interest;
- in case of doubt about being in a situation of conflict of interest, consult with the direct supervisor and Human Resources;
- abide by any final decision to not participate in the decision making process or to give up the advantages, which cause the conflict.
- Potential conflicts of interest of a candidate to enter the KRK should be resolved before his/her appointment.
- The employee who has such interests, that would represent a real risk for conflict of interest and will cause continuous suspension of his official activity or inability to perform official duties, shall resign or transfer these interests, so as to avoid the possibility of conflicts of interest.

KRK should monitor and take into consideration the conflict of interest raised by any party involved in the KRK activities including, but not limited to recruitment process, procurement process and loan disbursement process (as specified in the KRK Policy for Risk Management).

KRK staff taking part in recruitment or procurement process should sign the form of declaring the conflict of interest. Prior to each process of recruitment or procurement the staff involved should declare in case they have any kind of conflict of interest with the process.

8. Dress Code and Appearance

Dress code and appearance of the employees must be serious and formal, to represent the Company with dignity.

Appropriate official dress code for the employees includes:

For men:

Suits (pants and setter)

Shirt, sweater

Tie (optional)

Jacket (not sports)

Shoes (not sports)

For women:

Suits (pants and setter)

Dress (minimum length to knees)

Skirt (the minimum length to knees)

Shirt, sweater

Jacket (not sports)

Shoes (not sports)

It is not recommended to wear sports clothes at work (sport suits and trainers) and jeans, and it is recommended to avoid overexposure.

9. External Activities

8.1 Acceptance of gifts, favors and gratitude

Employees should not accept from any person or other entity money, gifts, hospitality or assistance related to their official duties and contacts made, except from the company they work for.

These rules do not apply to ordinary invitations, traditional hospitality, and gifts of nominal value or traditional etiquette, which don't create doubts about the impartiality of the employees.

In case of doubt on the impartiality of the benefits, the employee consults with Human Resources.

8.2 Public activity

KRK employees should be dedicated to serve as responsible citizens and to exercise their civic duties. But the participation of employees in public activities whether these are political or not, should not conflict with the KRK's interests. Participation in such activities during working hours is forbidden.

In case that KRK employees are or will be participating in political activities, KRK as an employer should be informed. KRK reserves the right to have an opinion related to any conflict of interest that might be raised from this participation.

Employees are allowed to participate in social activities such as charitable, scientific or other activities that do not conflict with the principles promoted by the KRK.

8.3 Money Laundry

KRK implements preventive and protective measures against money laundry. KRK has a separate Policy and Procedure for Anti Money Laundering and Countering the Financing of Terrorism.

8.4 Upon termination of employment in KRK

Employees who are not part of the KRK, or are on leave, including leave without pay, are expected to follow the rules of the KRK in related to the use and disclosure of confidential information. In particular, the employees who terminated employment with KRK must not use or disclose confidential information received through their service with KRK and must not contact their former colleagues to obtain confidential information. KRK employees are prohibited to provide confidential information to former colleagues who should be treated like any other external party.

10. Implementation and Disciplinary Measures

KRK Human Resources are required to disclose to employees, upon their employment, his/her obligations arising from this Code and should be respected by the employee.

An employee has a duty to behave in accordance with this Code and, therefore, is informed about its provisions and any amendments or supplements.

The provisions of this code are part of the conditions of employment of the employees. Violation of them is a cause for disciplinary measures.

An employee, who violates the principles set out in this Code, when their actions are not a criminal offense, gets punished by disciplinary measures specified in the KRK Personnel Policy.

Any dispute to disciplinary measures imposed against employee, is reviewed, at his/her request, by an appeal committee set up in the Company.

11. Monitoring the Implementation of the Code

Monitoring the implementation of the Code of Conduct in KRK will be done continually by Human Resources and KRK Management. A checklist form is used by HR Department to monitor the implementation of Code of Conduct. KRK Management will monitor the implementation of Code of Conduct through Human Resources. In the tasks of Internal Control is also monitoring of Code of Conduct for the staff in branches. Based on the reports from the monitoring certain actions will be set and followed by HR Department.

KRK management will discuss issues related to this Code of Conduct in the HR Committee whenever an issue is raised by staff, management, HR committee members or other parties.

This code is approved by the KRK Board of Directors.

Date of approval 20.10.2021

Chairman of Board on behalf of Board of Directors _____

