

Code of Conduct

Code of Conduct for all Employees and Executive Bodies of Varengold Bank AG

Objective:

The success of Varengold Bank AG depends on the trust placed in us by our clients, business partners, shareholders and investors as well as our employees. This Code of Conduct enables us to create the basis for maintaining and developing this trust.

The principles embodied in the Code of Conduct ensure a high level of integrity and professionalism in all our dealings. The Code of Conduct provides a standard by which all employees and executive bodies of Varengold Bank AG are required to behave. An open environment should be created by these guidelines in which all members of the bank refrain from legally prohibited or dubious activity, and also become aware of ethically or morally questionable deals and business practices. The values and principles set out below reflect the ethos of Varengold Bank AG; these are regulated in greater depth in the internal guidelines and instructions stored in the Confluence system at Varengold Bank AG.

For ease of comprehension, the word 'Employees' shall be used in this document, but note that the document, of course, relates to both male and female employees of Varengold Bank AG.

Accountability:

As a German financial institution, we stand for accountability, tolerance and equal opportunities, and implement these values on the basis of democratic principles.

Compliance with the legal requirements and ethical conduct

Varengold Bank AG and its staff are under an obligation to respect and adhere to the laws and regulatory requirements that apply in the respective jurisdictions in which we operate. Employees of the Varengold Bank are expected to conduct themselves lawfully, honestly and ethically. This specifically means acting responsibly, diligently, prudently, competently and zealously.

Risk culture

"Risk culture is the entire set of norms, attitudes and practices of a company in relation to risk awareness, risk appetite and risk management. The risk culture influences the decisions of managers and employees in their daily work and affects the risks that they take." (BCBS) We actively promote a strong risk culture at all levels of our Bank. In doing so, our objective is to encourage an integrated approach for the management of risks and returns at all levels of the organisation as well as the effective management of our risk, capital and reputation profile.

In our business activities we consciously take on risks. The following principles sustain our Bank's risk culture:

- Risks are assumed within the framework of a defined risk culture.
- Every risk must be approved according to the defined limits.
- Risks must yield reasonable return.
- Risks must be continuously monitored and managed.

Employees at all levels are responsible for the management and escalation of risks. Constant risk awareness and active risk avoidance and minimisation are elementary components of the risk culture of Varengold Bank AG. All employees are required to be permanently vigilant and attentive in their own area of work, but also in all other areas. Identified risks should be addressed to Risk Management and the Executive Board and proposals for avoidance or minimisation elaborated. This applies not only for procedures and processes, but also for all established business transactions in ongoing business operations.

We expect employees to promote a strong risk culture through their behaviour. This is strengthened by the inclusion of a behavioural assessment in our performance assessment and remuneration processes. Behavioural practices for a strong risk culture have been communicated to all levels of the organisation and include:

- Accepting responsibility for our risks;
- Evaluating risks in a consistent, comprehensive and future-oriented way;
- Promoting, engaging in and respecting critical review;
- Solving problems jointly; and

- Focusing on Varengold Bank AG and its reputation when taking all decisions.

Bribery and corruption

Varengold Bank AG supports international endeavours to prevent bribery and corruption. This means that we counter attempts to commit bribery and corruption in all our business divisions and in all the countries in which we operate, as far as the work of our business partners and the work of our own colleagues and employees are concerned. We must conduct our transactions lawfully, correctly and efficiently. No Bank employee shall accept bribes or pass such bribes on to third parties.

Financing terrorism, money-laundering and prevention of fraud

Varengold Bank AG is committed to the aim of preventing and combating terrorism financing and money laundering. We do not conduct transactions unless our partners have been unequivocally identified. In order to prevent involvement in money laundering transactions we require all employees to critically analyse and document their suspicions and accordingly report the underlying transactions to which we have potentially committed ourselves. We also require the same duty of care from our business partners. With respect to other criminal offences (fraud), we exercise constant vigilance and direct suspected cases promptly to the AML Officer and Compliance.

Financial sanctions

Varengold Bank AG does not conduct any business with sanctioned business partners or countries. A constant monitoring of new sanctions is carried out centrally in AML; new sanctions are identified, and so in some circumstances even existing business relationships are discontinued with immediate effect.

Compliance

The guidelines of Compliance and requirements in this respect ensure behavioural practice that guarantees genuine interaction between customers, business partners, the Bank and employees based on fairness and trust, contributes to risk minimisation and thereby strengthens the risk culture of the Bank. Failure by employees to observe the internal guidelines, laws or regulatory requirements will have disciplinary consequences. Compliance employees should accordingly be informed or asked for advice on projects, proposals, uncertainties and issues concerning business procedures.

Armaments policy

Varengold Bank AG refrains from any business that has a dubious reputation with respect to armaments transactions. Our principles for handling such transactions are clearly defined in a firm armaments policy. In cases of doubt please consult Compliance employees for advice and (final) assessment.

Conflicts of interest

We take all the possible measures that are necessary to prevent conflicts of interest between clients and Varengold Bank AG, clients and individual employees, clients and individual members of the executive bodies as well as among the divisions themselves or to resolve any such conflicts that may arise. We expect our managerial staff to set an example by their conduct in the workplace.

Employee transactions

Employee transactions as defined in the compliance requirements should not conflict with the interests of clients or with the interests of the Varengold Bank, except as otherwise provided or permitted by law. If a conflict of interests is nevertheless unavoidable, the interests of clients and the Bank shall take precedence. Employee transactions must be disclosed to the Bank's Compliance department.

Impartiality and incorruptibility

We must make corporate decisions impartially and solely on the basis of commercial, legal and ethical aspects. Our own interests in profits, family relationships or amicable relationships with business partners must play no part, except as otherwise provided or permitted by law. At Varengold Bank AG loans and investments by family members and relatives of employees of the Bank are consequently always processed by non-family members of staff.

We conduct business transactions with clients with whom we are on amicable terms impartially and assign the responsibility and management of such transactions to a colleague or to another department. We ensure that all payments to all the parties involved and to agents do not exceed the remuneration deemed reasonable for services duly performed.

Gifts and incentives

All members of Varengold Bank are not permitted to accept gifts or incentives that surpass the customary amount in connection with their work and tasks assigned by the company. More detailed rules are stated in the Confluence system.

Secondary employment

All employees are fully committed to working for Varengold Bank AG. Employees will accordingly not undertake secondary employment without the prior knowledge and approval of the Executive Board/Supervisory Board (this also applies to activities as a trader or freelancer).

Donations

Donations by Varengold Bank AG must be within the confines of the law.

Confidentiality

We treat all business affairs which come to our attention in the course of our work in the strictest confidence – regardless of whether they concern Varengold Bank AG or clients and take the utmost care in handling and storing such data.

This also includes observance of banking secrecy and protection of sensitive data, including company data. Information obtained in confidence as well as internal information and documentation may only be used for their intended commercial purpose and must not be passed on without permission or misused.

Transparency

We communicate openly with each other and exchange information among ourselves within the legal, official and internally established boundaries. In order to ensure that information which is disclosed to the general public and the press is always transparent and coherent, all members of staff of Varengold Bank AG have a particular responsibility to comply with the communication guidelines and the statutory provisions, as amended from time to time, regarding incorrect or misleading information.

Data security and data protection

Access to the internet, global electronic exchange of information and dialogue, and electronic business transactions – are essential requirements if a company is to be efficient and for general commercial success. The advantages of electronic communication are associated with risks inherent in the protection of personality rights and data security. The adoption of effective precautionary measures to deal with such risks is an integral part of our IT management, the duties of the managerial staff and the accountability of employees.

Personal data may only be collected, processed or used if this is necessary for operationally agreed, transparent and legitimate purposes. Maintenance of a high standard of data quality and technical protection is essential to prevent unauthorised access. The use of data must be transparent for the persons involved, their rights to information and correction and if necessary to raise an objection, to disablement and deletion shall be observed.

Respect for employees and third parties

At Varengold Bank AG we respect everyone regardless of their ethnic background, religion, ideology, disability, sexual orientation, gender and age. We respect their dignity, their rights and their private life. We endeavour to familiarise ourselves with and understand the ideas and concerns of others.

Even in a competitive environment we wish to be a fair competitor in all circumstances and at all times. We conduct ourselves towards external partners professionally, respectfully and fairly for the benefit of our interest groups.

Professionalism

The success of our enterprise largely depends on our employees. Qualified and motivated employees play a decisive part in economic performance and are consequently an essential factor in our success. Our employees always perform their respective tasks with the utmost professionalism and integrity. This not only involves respecting the rights of others, it also means refraining from doing anything that could cause harm to the Varengold Bank. As the conduct of an employee also reflects on Varengold Bank AG, it is particularly important to refrain from any conduct towards clients, other employees or in public that has adverse consequences or causes damage for the Bank, clients and/or other employees. On the basis of this Code of Conduct and our undertaking, we continually strive to resolve any conflicts objective that may arise in a manner that shows respect for the persons involved and takes their interests and needs into consideration as far as possible.

Corporate Communication Policy

Our employees maintain a qualified, objective and neutral communication method. In case of queries of customers and cooperation partners our employees inform them that their matter is internally under investigation and that they will receive a corresponding confirmation as soon as possible. In the event of considerations and uncertainties, our employees coordinate internally with the relevant specialized departments.

Our employees are obliged not to denounce, accuse or merely expose other employees or external third parties.

Employees of Varengold Bank AG have the obligation to make arrangements in written form. This applies in particular to employees who are in contact with customers and external partners.

Indications and complaints

Each employee is entitled to make a personal complaint about his/her manager, representative, Compliance or via the whistle-blowing system or to draw attention to circumstances that indicate a breach of the Code of Conduct.

Implementation

Each employee and each member of the executive bodies assumes responsibility for complying with the Code of Conduct. Varengold Bank has internal mechanisms and guidelines to help its staff to comply with these standards. They include the Compliance Department in particular. The respective managers ensure that awareness is raised among employees.