

BANKA

SLOVENIJE

EVROSISTEM

KODEKS

BANKE SLOVENIJE

JANUARY 2017

CONTENTS

I. GENERAL	5
(transposition of legal instruments)	5
(subject of the Code of Ethics)	5
(duty to be acquainted with the rules)	5
(definitions of terms)	6
II. MISUSE OF CONFIDENTIAL INFORMATION	7
(duty to protect confidential information)	7
(prohibition on misusing confidential information)	8
III. CONFLICT OF INTEREST	8
(conflict of interest)	8
(candidates for employment)	8
(special rules)	9
(outside activities)	9
(gainful activity by an immediate family member)	9
(change of employment)	9
IV. STANDSTILL PERIOD	10
(standstill period)	10
(compensation for a standstill period)	10
(non-enforcement of a standstill period)	11
(contractual penalty)	11
(staff members involved in a supervisory activity)	11
(staff members involved in a Eurosystem activity)	11
V. PRIVATE FINANCIAL TRANSACTIONS	12
(general principles applying to private financial transactions)	12
(critical private financial transactions)	12
(prohibited private financial transactions)	12
(<i>ex post</i> reporting of private financial transactions)	12
(prior authorisation for private financial transactions)	13
(independent third party as asset manager)	13
(existing assets stemming from critical private financial transactions)	14
VI. RECEIVING ADVANTAGES	14
(prohibition on receiving advantages)	14

BANKA
SLOVENIJE
EVROSISTEM

(exemptions from the prohibition on receiving advantages)	15
(notification of an advantage received)	15
VII. VERIFICATION OF COMPLIANCE	15
(maintenance of records by staff members)	15
(verification of compliance of staff members' conduct)	16
(handling of staff members' records)	16
VIII. INTERNAL ORGANISATION	16
(external relations).....	16
(external communication).....	17
(internal relations)	17
(internal communication)	17
(respect at the workplace).....	18
(use of assets of the Bank).....	18
(public contracts).....	18
IX. INFRINGEMENTS OF BY-LAWS AND OTHER REGULATIONS	18
(method of submitting reports).....	18
(entry point and committee)	19
(measures to secure evidence and minimise the consequences).....	19
(clear harmful conduct of insignificant import)	20
(retaliatory measures).....	20
(disclosure of the identity of a person who has submitted a report of harmful conduct)	20
X. SUPERVISION OF THE IMPLEMENTATION OF PROVISIONS AND INTERPRETATION OF THE PROVISIONS	21
(supervision of compliance with the Code of Ethics, and the interpretation of its contents)	21
XI. TRANSITIONAL AND FINAL PROVISIONS	21
(reporting to the ECB).....	21
(assets acquired prior to the entry into force of this Code of Ethics)	21
(entry into force).....	21

Pursuant to Article 40(1) of the Bank of Slovenia Act (Uradni list RS, 72/06 official consolidated version, 59/11), and Article 10 of the Employment Relationships Act (Uradni list RS, 21/13, 78/13 corrigendum, 74/15 ZSZSDT), the Governor of the Bank of Slovenia hereby issues the following

CODE OF ETHICS OF THE BANK OF SLOVENIA

I. GENERAL

Article 1

(transposition of legal instruments)

This Code of Ethics transposes Guideline (EU) 2015/855 of the European Central Bank of 12 March 2015 laying down the principles of a Eurosystem Ethics Framework and repealing Guideline ECB/2002/6 on minimum standards for the European Central Bank and national central banks when conducting monetary policy operations, foreign exchange operations with the ECB's foreign reserves and managing the ECB's foreign reserve assets (ECB/2015/11), and Guideline (EU) 2015/856 of 12 March 2015 laying down the principles of an Ethics Framework for the Single Supervisory Mechanism (ECB/2015/12).

Article 2

(subject of the Code of Ethics)

This Code of Ethics lays down the rules applying to staff members, and the professional ethics framework. In addition to the provisions of this Code of Ethics, staff members shall also be obliged to comply with the provisions of other by-laws, acts or regulations governing a specific area of operation or a specific function, or operations for or at the ECB, where these rules may be adhered to within the context of the operations of staff members at ESCB, Eurosystem or ECB working bodies or bodies.

Where additional rules apply to staff members because they perform tasks or functions connected with work at the Bank (and particularly because of their membership of bodies, committees and the like), those staff members shall also comply with those rules.

Where a specific area is regulated in more than one act or regulation, the stricter rule shall apply to the staff member.

This Code of Ethics shall also apply in the case of unpaid leave of absence from work.

Article 3

(duty to be acquainted with the rules)

All staff members shall acquaint themselves with the rules of this Code of Ethics, and comply with and implement them in a consistent manner. In the event of doubt regarding the application of a specific rule in practice or the interpretation of a specific rule, the staff member shall ask the compliance officer for an interpretation in advance. The opinions of the compliance officer shall be

accessible to all staff members, but the identity of the staff member who requested interpretation shall not be disclosed.

Members of the Bank of Slovenia's Governing Board, all officers with special authorisations and the heads of organisational units shall comply with the provisions of this Code of Ethics consistently and in line with their competencies and authorisations, and make an active contribution to raising their subordinates' awareness by their example.

Article 4
(definitions of terms)

The terms used in this Code of Ethics shall have the following meanings ascribed to them:

- "The Bank" means the Bank of Slovenia.
- For the purposes of this Code of Ethics, "confidential information" means confidential information as defined in the act governing banking and the act governing macro-prudential supervision, confidential data as defined in the act governing the Bank of Slovenia, and inside information as defined in the act governing the market in financial instruments, other unpublished information or market-sensitive information inaccessible to the public and relating to the implementation of supervisory tasks, including supervisory tasks delegated to the ECB, information relating to the implementation of Eurosystem tasks by Eurosystem central banks, or information relating to the implementation of ESFS tasks.
- "Market-sensitive information" means information of a precise nature the publication of which is likely to have a significant effect on the prices of assets or prices on the financial markets.
- "Insider" means any staff member who has access to inside information other than on a one-off basis.
- "Staff member" means any person who has an employment or similar relationship with the Bank of Slovenia.
- "Financial corporations" has the same meaning as defined in Chapter 2, paragraph 2.55 of Regulation (EU) No 549/2013 of the European Parliament and of the Council.
- "Conflict of interest" means a situation in which staff members have personal interests that may influence, or appear to influence, the impartial and objective performance of their professional duties.
- "Personal interest" means any actual or potential benefit, of a financial or non-financial nature, for staff members, their family members and other relatives, their friends and acquaintances, or persons of public or private law with whom they have or have had business or political connections. A personal interest shall also include any obligation, whether financial or of another type, relating to a staff member.
- "Misuse of inside information" means any conduct, omission to act or attempted action by which a staff member enables himself or a third party to use inside information for their personal interest.
- "Harmful conduct" means any conduct or omission to act that could result in material or non-material damage to the Bank and that constitutes a possible or actual breach of the requirements or restrictions laid down in the regulations or by-laws of the Bank binding on the staff member.
- "Advantage" means any gift, hospitality or other benefit of a financial or non-financial nature that objectively improves the financial, legal or personal situation of the recipient and to which the recipient is not otherwise entitled. An advantage shall also be deemed to have been received when the conditions for receiving it deviate significantly from market conditions,

customs or the donor's business conditions as they apply to the remainder of the public. Customary hospitality offered in the course of meetings connected with the performance of professional duties shall not be deemed to be an advantage.

- For the requirements of this Code of Ethics, "supervision" or "supervisory tasks" means supervision of credit institutions under the act governing banking.
- "Credit institution" means a credit institution as defined in the act governing banking.
- "Immediate family member" means a person in one of the following relationships with another person:
 - a spouse or a person with whom they live in a relationship that has the same rights in property as those arising out of a matrimonial relationship, or a person with whom they live in a same-sex civil partnership according to the law governing the registration of same-sex civil partnerships;
 - a child or adopted child of such a person or of a person referred to in the previous indent;
 - other persons under such a person's guardianship;
 - the parents or grandparents of such a person or of a person referred to in the first indent of this point.
- "Eurosystème tasks" means the tasks entrusted to the Eurosystem according to the Treaty on the Functioning of the European Union, and the Statute of the European System of Central Banks and of the European Central Bank (ECB).
- "The Single Supervisory Mechanism (SSM)" means the single supervisory mechanism as defined in Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

II. MISUSE OF CONFIDENTIAL INFORMATION

Article 5

(duty to protect confidential information)

All staff members are defined as persons with access to confidential information.

Staff members may on no account disclose information with which they have been acquainted in the course of their work to an unauthorised person. Without prejudice to the first paragraph of this Article, staff members may not disclose information to other staff members at the Bank who do not require the information to perform their tasks or who are not otherwise entitled to the information.

Where confidential information is disseminated in accordance with the by-law setting out the handling of confidential information, where appropriate authorisation has been obtained for disclosure or where disclosure is a statutory obligation, this shall not be regarded as disclosure. The duty to protect confidential information shall not apply if this information has already been published or is accessible to the public.

In the event of doubt regarding the nature of information, that information shall be regarded as confidential.

Article 6

(prohibition on misusing confidential information)

The misuse of confidential information is prohibited.

The following in particular shall be regarded as misuse of confidential information:

- a) the use of confidential information, or an attempt to use such information, for private business purposes for an individual's own account or that of a third party;
- b) the disclosure of confidential information to any other person, unless such disclosure is effected in the course of performing professional duties on a need-to-know basis;
- c) the use of confidential information, or an attempt to use such information, to provide recommendations to or dissuade other persons, or to induce other persons to enter into private financial transactions.

The use of information that has already been published or is accessible to the public shall not be regarded as the misuse of confidential information.

In the event of doubt regarding the interpretation of this Article, a staff member shall obtain the opinion of the compliance officer prior to using confidential information.

The prohibition on misusing confidential information shall not cease upon termination of employment at the Bank.

III. CONFLICT OF INTEREST

Article 7

(conflict of interest)

Staff members shall avoid conflicts of interest in the course of performing their professional duties. A staff member shall notify the compliance officer of the existence of any circumstances that indicate a conflict of interest.

The compliance officer may, if they deem it necessary, propose measures to avoid a conflict of interest to the staff member's immediate superior or to the Bank of Slovenia's Governing Board if the staff member is a member of the Governing Board or an executive director, in particular:

- the taking of paid leave of absence, or unpaid leave of absence if the staff member concerned has no more annual leave due;
- the prevention of access to information sources;
- relief from an activity or task;
- reassignment to another post.

The compliance officer shall coordinate selection of the appropriate measure with the staff member's immediate superior.

Article 8

(candidates for employment)

A precondition for employment at the Bank shall be absence of a conflict of interest, or suitable management of an existing conflict of interest.

The committee of the Bank that conducts interviews with candidates for employment shall adjudge, prior to the candidate's appointment under the rules on the selection and appointment of candidates, whether a conflict of interest is possible as a result of the candidate's previous professional activities or their close personal relationship with staff members. Candidates shall forward this information to the Bank as part of the selection procedure.

Where a conflict of interest is established, consultations must be held with the compliance officer before the candidate is selected. The compliance officer may propose appropriate measures to avoid a conflict of interest.

Article 9
(special rules)

The immediate family members of a staff member may not be employed in the same division, nor may they act as that staff member's immediate superior or subordinate.

Article 10
(outside activities)

Staff members may not be employed by or cooperate with entities that are subject to supervision by the Bank.

A staff member shall obtain the prior authorisation of the compliance officer for any outside activities connected with the Bank or its business processes or activities, or with their work tasks, regardless of whether these tasks are paid or unpaid. These activities shall include, in particular, the giving of lectures and the writing of articles or books.

During the assessment procedure, particular checks shall be made of the impact of outside activities on the regular and high-quality completion of work tasks and the existence of a conflict of interest. Prior authorisation for outside activities shall be given for a period of no more than five years.

Staff members shall avoid outside activities that could damage the reputation of the Bank.

Article 11
(gainful activity by an immediate family member)

A staff member shall notify the compliance officer of an immediate family member's employment or their performance of another activity the aim of which is to acquire income or material benefits, if this could lead to a conflict of interest. A conflict of interest shall be assumed to exist if an immediate family member is employed in an entity that is subject to supervision by the Bank.

Article 12
(change of employment)

Staff members or former staff members shall notify the compliance officer before accepting employment elsewhere. This obligation shall last for:

- six months after termination of the employment relationship for those staff members for which a standstill period of six months is provided for under this Code of Ethics;
- three months after termination of the employment relationship for those staff members for which a standstill period of three months is provided for under this Code of Ethics;

The notice referred to in the preceding paragraph shall contain the following information:

- the name of the new employer and the post or function that the staff member is to perform with the new employer;
- notification as to whether the staff member is to take leave prior to termination of their employment relationship with the Bank and, if so, the number of days of leave they are to take.

IV. STANDSTILL PERIOD

Article 13 (standstill period)

Under the conditions laid down in this Code of Ethics and in the employment contract, a staff member may, after termination of their employment at the Bank, be employed or perform another activity with the aim of acquiring income or material benefits in the entities referred to below only after a specific period of time has elapsed (standstill period).

The immediate superior of any staff member whose employment is to be terminated and the compliance officer shall check whether that staff member's work tasks could give rise to a conflict of interest or whether the staff member should be prevented from accessing information sources. The procedure referred to in Article 7 of this Code of Ethics shall be applied *mutatis mutandis* to staff members in relation to whom a conflict of interest has been established or where it has been established that they should be prevented from accessing information sources.

An employment contract shall specify a standstill period for staff members against whom the measures referred to in the preceding paragraph cannot be imposed because of the nature of their work. In cooperation with the compliance officer, directors or immediate superiors shall compile a list of those staff members against whom the measures referred to in the preceding paragraph cannot be imposed because of the nature of their work (hereinafter: other staff members).

The period of notice provided for in the employment contract shall be included in the standstill period if the staff member concerned was prevented from accessing information sources during the period of notice, or if other circumstances arise during the period of notice that justify the inclusion of the period of notice in the standstill period, in particular the taking of leave, relief from activities or tasks, and reassignment to another post.

Article 14 (compensation for a standstill period)

A staff member shall be entitled to compensation for every month of a standstill period in the amount of the average of the last three monthly salaries paid to the staff member prior to the termination of their employment.

Article 15

(non-enforcement of a standstill period)

A standstill period shall not be enforced if the staff member concerned retires immediately after termination of their employment at the Bank or if the staff member's employment at the Bank is permanently or temporarily suspended for the purposes of undertaking education and/or training.

In addition to the circumstances referred to in the first paragraph of this Article, the compliance officer may also propose a shorter standstill period or the non-enforcement of a standstill period if they find, given other circumstances in the case in question, that no conflict of interest exists. These circumstances shall be, in particular, the circumstances referred to in Article 13(4) of this Code of Ethics.

The Bank may unilaterally withdraw from enforcement of a standstill period at any time up to the termination of employment, with the decision on this being taken by the Governor.

Article 16

(contractual penalty)

The Bank may enforce a contractual penalty for any breach of the standstill period. This penalty may amount to the total compensation payable to the staff member for the longest standstill period that they would have been obliged to observe.

Article 17

(staff members involved in a supervisory activity)

Staff members directly involved in a supervisory activity in the last six months prior to termination of their employment may begin working as follows:

- a) members of the Bank of Slovenia's Governing Board, executive directors, directors, their deputies and assistants may only begin working for a credit institution in whose supervision they were directly involved, or for a direct competitor thereof, after six months have elapsed from the day their employment was terminated;
- b) other staff members may only begin working for a credit institution in whose supervision they were directly involved, or for a direct competitor thereof, after three months have elapsed from the day their employment was terminated.

Article 18

(staff members involved in a Eurosystem activity)

Members of the Bank of Slovenia's Governing Board, executive directors, directors, their deputies and assistants, division heads and other staff members directly involved in a Eurosystem activity in the six months prior to the termination of their employment may only begin working for a financial corporation after three months have elapsed from the day their employment was terminated.

V. PRIVATE FINANCIAL TRANSACTIONS

Article 19

(general principles applying to private financial transactions)

Private financial transactions by staff members shall be non-speculative in nature and in a suitable proportion to their income and assets, and may not place their impartiality and financial independence at risk.

Staff members shall, when performing financial transactions for their own account or that of a third party, act prudently and with due diligence so as to protect the reputation of the Bank and retain public trust in the honesty and impartiality of the staff members of the Bank.

Article 20

(critical private financial transactions)

When entering into private financial transactions, staff members shall comply with the restrictions referred to in this Code of Ethics, particularly those referred to in this Chapter. Transactions that are closely connected to the implementation of Eurosystem or supervisory tasks, or that could give that impression, shall be regarded as critical private financial transactions.

Article 21

(prohibited private financial transactions)

Members of the Bank of Slovenia's Governing Board, executive directors, staff members with authorisations from an executive director and staff members directly involved in the supervision of credit institutions may not enter into the following private financial transactions:

- (i) in shares or bonds of credit institutions that are under the supervision of the Bank;
- (ii) in derivatives related to the financial instruments referred to in indent (i).

Members of the Bank of Slovenia's Governing Board, executive directors, staff members with authorisations from an executive director and staff members who are members of joint supervisory teams or other joint teams within the SSM may not enter into the following private financial transactions:

- (i) in shares or bonds of credit institutions that are under the direct supervision of the ECB;
- (ii) in derivatives related to the financial instruments referred to in indent (i).

The same rules as apply to members of the Bank of Slovenia's Governing Board, executive directors, staff members with authorisations from an executive director and other staff members directly involved in the supervision of credit institutions shall apply to their immediate family members employed at the Bank.

Article 22

(ex post reporting of private financial transactions)

Staff members shall report the following financial transactions within 30 days of the transactions taking place if the total value of the transactions exceeds EUR 5,000 in a single calendar month:

- (i) in shares or bonds of credit institutions that are under the direct supervision of the Bank or the ECB;
- (ii) in shares or bonds issued by other financial corporations established in the Union;
- (iii) foreign exchange transactions, transactions in gold and the trading of euro area government securities;
- (iv) in derivatives related to the financial instruments referred to in indents (i) to (iii);
- (v) in shares in collective investment schemes the main purpose of which is to invest in the financial instruments referred to in indents (i) to (iv);
- (vi) short-term trading in the same financial instrument, i.e. the purchase and sale of a financial instrument with the same ISIN code, within a period of one month.

Staff members to whom the restrictions referred to in the preceding Article apply shall report private financial transactions under this Article to the appropriate extent.

Article 23

(prior authorisation for private financial transactions)

The compliance officer may determine that a procedure of prior authorisation for private financial transactions be applied to the individual financial transactions referred to in the preceding Article within a specific period.

A list of transactions for which there is a requirement of prior authorisation shall be published on the Bank's intranet.

Staff members shall request prior authorisation not less than five working days prior to the day they intend to enter into the private financial transaction. The compliance officer shall give their opinion within five working days. If they do not, the private financial transaction shall be deemed to have been approved. In formulating their opinion, the compliance officer shall pay due regard to the following in particular:

- (i) the staff member's professional function and their access to relevant confidential information;
- (ii) the speculative or non-speculative nature of the private financial transaction;
- (iii) the amount involved in the private financial transaction;
- (iv) the risk to the reputation of the Bank;
- (v) when the private financial transaction was entered into and, in particular, whether material is being compiled for or under discussion at the Governing Council or Supervisory Board of the ECB in relation to individual financial instruments.

The compliance officer shall specify the period of validity of the authorisation in the authorisation.

Article 24

(independent third party as asset manager)

The restrictions under this Chapter shall not apply if staff members have entrusted their private financial transactions to an independent asset manager by written agreement.

In order to exercise the exemption referred to in this Article, staff members shall obtain authorisation prior to concluding a written agreement on asset management, in accordance with the rules applying to the approval of private financial transactions. In their assessment, the compliance officer shall pay due

regard in particular to whether the staff member has direct or indirect influence over decision-making. The staff member shall notify the compliance officer of any amendment to the contractual provisions, including to any general terms and conditions.

Article 25

(existing assets stemming from critical private financial transactions)

Staff members may retain assets stemming from critical private financial transactions:

- that they have at the moment the restrictions under this Chapter begin to apply to them;
- that they acquire, at the time the restrictions under this Chapter apply to them, outside their own conduct, in particular through inheritance, from gifts or a change to their family status, or resulting from a change to the structure of capital or a change to the control of the entity in which they have assets or rights.

Staff members shall notify the compliance officer of the assets referred to in the first paragraph of this Article within ten working days of the day the circumstance referred to in the first paragraph of this Article arose.

A staff member shall obtain prior authorisation from the compliance officer to dispose of the assets referred to in the first paragraph of this Article or to exercise the rights associated with the assets referred to in the first paragraph of this Article.

The staff member shall notify the compliance officer without delay if a conflict of interest arises or could arise from such assets. The compliance officer may propose appropriate measures to avoid a conflict of interest, including the requirement to sell such assets if this is necessary in order to avoid a conflict of interest.

VI. RECEIVING ADVANTAGES

Article 26

(prohibition on receiving advantages)

Staff members may not solicit, receive or accept a promise related to receiving, for themselves or others, any advantage connected in any way with the performance of their professional duties. Staff members shall apprise the donor of the rules regarding the receiving of advantages by which they are bound. The receiving of an advantage or the accepting of a promise of an advantage may not affect or give the impression of affecting the impartiality, independence, autonomy or professionalism of a staff member.

An advantage shall be deemed to be connected with the performance of professional duties if it is offered or promised in relation to a function or post performed by the staff member and not on a personal basis.

In no case may a staff member receive an advantage:

- in public procurement procedures;
- from tenderers or suppliers with which the Bank cooperates;
- in the course of inspections of entities under supervision, unless it involves hospitality of negligible value offered during business meetings.

In no case may money, securities or precious metals be accepted, unless they are accepted as part of cooperation with central banks and represent a set of coins or commemorative coins.

Article 27

(exemptions from the prohibition on receiving advantages)

Without prejudice to the prohibition on receiving advantages, staff members may receive advantages:

- offered by central banks, competent national supervisory entities or institutions, bodies or agencies of the Union, international organisations and government agencies, if they are in accordance with custom and are deemed to be appropriate;
- customary or negligible advantages, if the advantages are not frequent or from the same source and if the value of an individual benefit does not exceed EUR 75;
- customary hospitality expressed by means of an invitation to a corporate entertainment event.

The total amount of advantages received from a single source in a single calendar year may not exceed EUR 150.

If an advantage or the acceptance of the promise of an advantage cannot be avoided because this would place business cooperation at risk or offend the donor, the staff member may accept the advantage or promise of an advantage. The staff member may retain this advantage or promise of an advantage only with the written approval of the compliance officer. If they fail to obtain written approval, the advantage shall become the property of the Bank.

Article 28

(notification of an advantage received)

Staff members shall notify the compliance officer of the following immediately, and no later than within ten working days:

- any advantage received or promise of an advantage accepted that they were unable to refuse;
- any advantage received or promise of an advantage accepted the value of which cannot be stated with certainty as being below EUR 75;
- the total amount of advantages received from a single source, if this amount exceeds EUR 150 in a single calendar year;
- any offer or promise of a benefit the acceptance of which is prohibited.

VII. VERIFICATION OF COMPLIANCE

Article 29

(maintenance of records by staff members)

Staff members shall, for the current and previous calendar year:

- maintain a record of their bank accounts, including joint bank accounts, custodial accounts, accounts at brokerage houses and credit card accounts;

BANKA
SLOVENIJE
EVROSISTEM

- maintain a record of authorisations conferred upon them by third parties in connection with bank accounts, including custodial accounts. Staff members may only receive authorisations to manage third party accounts for which they are able to send account statements to the Bank;
- maintain a record of communications with persons to whom they have delegated responsibility for the management of their investment portfolio, in particular instructions and guidance;
- maintain a record of all sales and purchases of assets or rights for their own account or that of others;
- maintain a record of transactions in connection with pension plans over whose investment policy they exert an influence;
- retain statements for the accounts referred to in the first and second indents of this paragraph.

The obligations under this Article shall remain in effect for one year after termination of employment at the Bank.

Article 30

(verification of compliance of staff members' conduct)

The compliance officer shall carry out the following in order to verify staff members' compliance with the rules of this Code of Ethics:

- regular inspections of compliance that cover a specific percentage of staff members;
- periodic inspections of compliance with the aim of verifying compliance in relation to specific types of financial transaction and supervising the conduct of specific organisational units.

For the requirements of inspection, the compliance officer may require staff members to submit the evidence referred to in the preceding Article. The compliance officer may only require the information or records required for implementation of the inspection.

Article 31

(handling of staff members' records)

All records received by the compliance officer as part of the verification of compliance of staff members' operations shall be assigned the highest level of confidentiality.

Only the compliance officer and their immediate superior shall have access to these records.

The method and period of retention of records shall be regulated in the rules on the operations of the compliance officer.

VIII. INTERNAL ORGANISATION

Article 32

(external relations)

BANKA
SLOVENIJE
EVROSISTEM

Staff members shall attend to the independence and reputation of the Bank and to the requirement to protect confidential information. In performing their work, they may not accept instructions from organisations or persons outside the Bank. Staff members shall notify their immediate superior and the compliance officer of any attempt to exert influence by organisations or persons outside the Bank.

When staff members express their position on issues on which the Bank has not taken a position, they shall explicitly point out that their position does not necessarily reflect that of the Bank.

Staff members shall observe a high degree of accessibility and responsiveness when dealing with outside contacts.

Article 33

(external communication)

Meetings or communication with entities supervised by the Bank, tenderers or business clients of the Bank shall take place in the presence of at least two staff members. If this is not possible, staff members shall notify their immediate superior of this.

Article 34

(internal relations)

Staff members shall comply with the instructions of their superiors and the applicable reporting lines, including in relation to the reporting of infringements. Where a staff member believes that the instructions that they have received are unlawful, they shall notify their immediate superior of this. Where a staff member believes that their immediate superior has not sufficiently addressed their concerns, they shall notify the compliance officer or report harmful conduct in accordance with the internal rules for reporting harmful conduct.

During official working hours, staff members may not perform private tasks for themselves or for a third party, and may not require other staff members to do so.

Staff members may not conceal information from other staff members that those staff members require for the performance of their work, or information that could affect operations. Staff members may not disseminate inaccurate or unsupported information. Staff members may not prevent or reject cooperation with other staff members.

Article 35

(internal communication)

In performing their tasks, staff members shall comply with the organisation and division of labour at the Bank as laid down in the by-laws of the Bank.

Staff members shall be apprised in good time of all circumstances that could affect the performance of their work obligations, including circumstances of an institutional and organisational nature.

Staff members shall have the right and the duty to request that they be sent the information they require for the performance of their work tasks in good time, along with any additional instructions, when they believe that the instructions provided are not sufficiently clear.

Communication in connection with the performance of work duties must be clear, transparent, consistent and accurate.

Article 36
(respect at the workplace)

Staff members shall display a respectful approach in their relations with others, and shall refrain from inappropriate conduct. Staff members shall report forms of inappropriate or disrespectful conduct at the workplace, including harassment and bullying, in accordance with the by-laws of the Bank.

The issuing of reprimands in front of others shall be considered to be inappropriate conduct. In the event of an unjustified public reprimand being issued, the staff member reprimanded shall be entitled to a public apology.

Article 37
(use of assets of the Bank)

Staff members shall respect the property of the Bank and look after it with the diligence of a good manager.

The property of the Bank shall be used exclusively for official purposes, unless use for other purposes is explicitly permitted in accordance with the by-laws of the Bank or with the consent of a superior officer.

Article 38
(public contracts)

Staff members shall operate transparently, objectively, neutrally and fairly in public procurement procedures, and may communicate with individual tenderers only via official channels and, as a rule, in writing.

IX. INFRINGEMENTS OF BY-LAWS AND OTHER REGULATIONS

Article 39
(duty to report a suspicion of harmful conduct)

Staff members shall report any suspicion of harmful conduct in accordance with the by-laws of the Bank.

Staff members shall enclose with their report any evidence they have at their disposal, or indicate where such evidence is located.

Article 40
(method of submitting reports)

BANKA
SLOVENIJE
EVROSISTEM

Staff members shall notify their immediate superior of any harmful conduct they observe. The superior shall then pass on the report to Internal Audit.

If the report relates to the work of Internal Audit, the superior shall send the report to the compliance officer.

Staff members may also report directly to Internal Audit or, if the report relates to the work of Internal Audit, to the compliance officer:

- via the electronic system for reporting infringements accessible on the Bank of Slovenia's intranet;
- by placing a report in the postbox on Bank premises;
- by ordinary post to the Bank's address and marked "REPORT OF INTERNAL INFRINGEMENT";
- or in person at the Internal Audit premises, or to the compliance officer if the report relates to the work of Internal Audit.

A direct report as referred to in the preceding paragraph may also be submitted anonymously.

Internal Audit or the compliance officer may themselves propose that an investigation be launched if the information reported gives them reason to believe that harmful conduct has taken place.

Reports that are not sent in accordance with this Article shall be forwarded without delay to Internal Audit, or to the compliance officer if the report relates to the work of Internal Audit.

Article 41

(entry point and committee)

A report shall be received by the director of Internal Audit and the administrator of reports.

A report that relates to the work of Internal Audit shall be received by the compliance officer and their deputy.

An investigation into harmful conduct shall be carried out by the internal committee charged with investigating infringements.

Article 42

(measures to secure evidence and minimise the consequences)

The committee charged with investigating infringements may pass a resolution to secure evidence and/or prevent the occurrence of further harmful conduct when this is necessary in order to protect the Bank's assets or confidential information, in particular when there is a significant likelihood, from the circumstances of a particular case, that:

- evidence will be destroyed or will become unavailable after a certain period of time has elapsed;
- considerable damage or significant further damage could arise;
- confidential information could be disclosed;
- the person responsible for the infringement could continue their harmful conduct;
- a serious infringement of work-related obligations has taken place.

Measures to secure evidence shall be the following in particular:

- temporary restriction of access to certain data or a certain location;
- temporary restriction of work-related tasks or reassignment to another post;
- temporary restriction of access to or the removal or sealing of documents and media owned by the Bank;
- the placing of controls on e-mail.

Documents and media confiscated shall be itemised in the presence of the person responsible for the infringement or the holder of those documents and media, and shall be secured in such a way that they cannot be interfered with.

The person responsible for the infringement or the holder of the documents and media shall be notified of the resolution. The immediate superior of the person responsible for the infringement shall also be notified of the resolution, as a rule prior to enforcement. If this is not possible, notification shall be made as soon as possible.

Article 43

(clear harmful conduct of insignificant import)

Where a superior officer who has received a report of harmful conduct finds that the clear harmful conduct of their immediate subordinate does not have adverse consequences or that these consequences are negligible (clear harmful conduct of insignificant import), they may warn the person responsible themselves and request that the harmful conduct cease.

The superior officer shall notify Internal Audit of the measures taken under the first paragraph of this Article, or the compliance officer if the report relates to the work of Internal Audit, along with the notice of a report received.

Article 44

(retaliatory measures)

Any retaliatory measure, discrimination or other form of inappropriate treatment of a person submitting a report of harmful conduct shall constitute a serious infringement of work-related obligations.

In the event of inappropriate treatment as referred to in the first paragraph of this Article, the Bank may, at the proposal of the person submitting the report of harmful conduct, take the measures defined in the Rules on Taking Action and Measures for the Prevention of Mobbing at the Workplace and Rectifying the Consequences Thereof.

The Bank shall ensure that persons who submit reports of harmful conduct anonymously are afforded protection against inappropriate treatment and that measures are taken to rectify the consequences of such treatment if their identity is subsequently disclosed.

Article 45

(disclosure of the identity of a person who has submitted a report of harmful conduct)

Disclosure of the identity of a person who has submitted a report of harmful conduct shall constitute a serious breach of work-related obligations if there is no statutory basis for disclosure or if the written consent of that person has not been obtained.

Any unauthorised access to data on a person who has submitted a report of harmful conduct shall constitute a serious breach of work-related obligations.

Any person who is aware that unauthorised persons have gained access to data on a person who has submitted a report of harmful conduct shall report this without delay to the director of Internal Audit or the compliance officer. Failure to report unauthorised access shall constitute a less serious breach of work-related obligations.

X. SUPERVISION OF THE IMPLEMENTATION OF PROVISIONS AND INTERPRETATION OF THE PROVISIONS

Article 46

(supervision of compliance with the Code of Ethics, and the interpretation of its contents)

Compliance with this Code of Ethics shall be supervised by the compliance officer.

This Code of Ethics shall be interpreted by the compliance officer.

XI. TRANSITIONAL AND FINAL PROVISIONS

Article 47

(reporting to the ECB)

The Bank of Slovenia shall report to the ECB on the implementation of this Code of Ethics once a year.

Article 48

(assets acquired prior to the entry into force of this Code of Ethics)

Staff members shall report any private assets that are derived from critical financial transactions and that are held by them at the time this Code of Ethics enters into force to the compliance officer no later than one month after the entry into force of this Code of Ethics. The rules referred to in Article 35 of this Code of Ethics shall apply to these assets.

Article 49

(entry into force)

This Code of Ethics shall enter into force on 1 January 2017.

On the day this Code of Ethics enters into force, the Code of Conduct for Staff Members of the Bank of Slovenia of 11 February 2011 shall cease to apply.

BANKA
SLOVENIJE
EVROSISTEM

Ljubljana, 23 December 2016

Boštjan Jazbec,
Governor