1. Introduction

Following the laws and regulations is not necessarily always the same as behaving to the highest standards of ethics. We, the Association “Fintech Hub LT” (hereinafter: the “Association”), strive to become morally as well as professionally the flagman of the business sector. Although we are not obliged to establish our own ethics policy, we see it as our personal commitment to set guidelines for a clear, structured and transparent way to conduct our businesses at the highest standards of ethics.

With the continuous introduction of new and evolving forms of financial technologies, there comes the responsibility to transparency and devotion to professionalism, so we can ensure that all the stakeholders – our members, partners, customers and regulators – always fully understand the conducted processes in our business activities.

We believe that commitment to high standards is the key for our member companies as well as for the financial technology industry in general to reach new heights. Providing the best possible services to our customers, acting fair and respectful towards all the stakeholders, and continuously striving to improve ourselves. These values are the foundation for the businesses of our members.

This Code of Ethics of the Association “Fintech Hub LT” (hereinafter: the “Code”) shall specify the relationships between the Association and its member companies (hereinafter: “Companies”), between the Companies among each other, as well as between the Companies all other stakeholders – partners, customers and regulators. The purpose of this Code is not to supersede the existing legislation and regulations, but to supplement them.

This Code shall be a guideline for the Companies and their employees on the minimum ethical standards which should always be preserved. The Companies shall ensure by appropriate means that their employees read and understand this Code. Further, this Code shall also be a way for our customers to get a clear understanding of what they can expect from the Companies.

A Company can only undisputedly retain its membership in the Association, if it meets these ethical standards.

2. Basic Values

When conducting business, it is essential to have a general standard for ethical behavior. The Companies business activities should always be based on commitment to transparency, professionalism and integrity. In particular, Companies should comply with the following points:

- Focusing on the interests of customers as much as on the interests of the Companies when carrying out business activities.
- Getting to know customers and conducting appropriate and proper customer identification procedures according to the local requirements.
• Basing the relations with customers on mutual loyalty, trust and long-term cooperation.
• Investing and caring about their employees being qualified, polite and attentive, and properly performing their functions.
• Working towards the management being qualified regarding the financial market, the applicable regulatory framework, strategic business planning and risk management.
• Seeking that the IT systems for providing the services, as well as other systems used would function properly and uninterruptedly.
• Establishing and retaining a good reputation. For a good reputation of a Company, all circumstances are taken into account, including all the conduct of the Company and whether it leaves no doubt about the Company’s sound and prudent management.
• Devoting sufficient time and effort to each business activity.
• Establishing sound and proper relations with the government.

3. Legal Compliance

The Companies should show commitment to strictly comply with all relevant laws and regulations, nationally and internationally. Furthermore, the following aspects shall be emphasized:

• When operating internationally, the Companies should respect and pay close attention to the respective laws and regulations of other jurisdictions which might be applicable for that specific business activity. The Companies shall comply with the law everywhere they operate.
• The Companies should thoroughly take care about complaints. They should review complaints by following all regulatory requirements. They should diligently deal with complaints and provide an answer to the customer. The Companies should have a publicly accessible procedure for handling these complaints.
• For the purpose of financial services, the Companies may be trusted with sensible personal and financial information by their customers. Therefore, the Companies shall ensure the security of their customers confidentiality and data by developing adequate information safety procedures and measures. These procedures and measures shall always comply with the newest and highest technical standards and regulatory requirements.
• Crimes like corruption, money laundering, terrorism financing and other illegal activity shall be prevented and reported to the relevant authorities. Other crimes related to the Companies as well as bankruptcy, insolvency, or customer protection shall be observed and prevented.
• The Companies ensure compliance with the contracts they conclude with customers.
• All Companies must inform the Association, if legally possible, as soon as they learn that they are the subject of criminal or possible criminal proceedings, or other proceedings and investigations by regulatory authorities.

The Companies should establish an internal management structure that allows to ensure these outlined points related to legal compliance.

4. Fair Competition
The Companies should treat each other fair and respectful. It should be aimed to conduct a fair competition which is just, open and equitable. Also, the competition should be based on factors of price, quality and service, and not based on practices that are condemned by the public or by law. The Companies should not harm each other’s ability to compete. Further, they should not conduct any actions which result in reputational or any other kind of harm to another Company. The Companies may gather information about their competitors, but only in a legal and ethical manner. The Companies shall respect the confidential information of their competitors.

5. Best Practice

The Companies should strive to establish best practice for their respective business fields. Best practice means using the business methods which are generally accepted as superior to any alternatives. The Companies shall use all the knowledge and technology at their disposal to ensure they reach the best possible practice.

The Companies shall furthermore strive to constantly improve their technology, business models and methods, concepts and service. They should be devoted to constantly and diligently raise the overall quality of their businesses, so they will be able to provide always the best possible service to their customers.

The Companies also ensure that the conditions of the contracts they provide to their customers are the result of approved standards and at least good financial business practice.

6. Suppliers and Vendors

Conducting business with suppliers and vendors is a necessary and crucial aspect for most companies. Also here ethical standards should be respected. The Companies shall strive to only engage in business relations with suppliers and vendors which comply themselves with ethical standards similar to those outlined in this Code.

In case a certain business activity with a supplier or vendor would result in an inconsistency with the Code, and this inconsistency could not be avoided, the Company should consider terminating the business activity. If necessary, the Company should further consider terminating the whole business relation with that supplier or vendor.

In case a potential business partner is domiciled in a country which is internationally sanctioned, particular caution should be exercised. International sanctions are imposed from one country to another to alter that other countries behavior. Usually these sanctions are imposed because of political or humanitarian misbehavior of the target country and to therewith protect international peace and security. The Companies shall not endanger the effect of such an international sanction. Therefore, the Companies shall respect imposed international sanctions and shall not engage in business relations with them as far as the sanctions prohibit these respective kind of business activities.

7. Conflicts of Interest
The Companies should ensure that no employee takes part in a business activity where the employee is subject to a conflict of interest. Conflict of interest means a situation, where private interests of an employee contradict the professional interests of his company or a client. Such a conflict might arise if an employee has financial or other interests which might impair his professional judgement or objectivity when conducting activities for the company.

In case there are uncertainties whether a conflict of interest might be imminent, the Companies should ask the Association for consultation.

8. Cooperation and Communication

We believe that honest and meaningful cooperation between the Companies is crucial to promote progress in the financial technology industry. The Companies should conduct an exchange of information about developments, trends and news in the financial technology sector, as well as an exchange of experience between each other on a regular basis.

Further, the Companies should also strive to establish such a mutual share of information and experience with financial technology companies outside of this Association. As well, a broader cooperation with stakeholders, associations and international partners in the financial technology industry should be sought-after.

The Companies should do everything possible to enable an easy and efficient cooperation with the Bank of Lithuania, the government, and other regulatory and supervisory institutions.

The Companies should communicate with the public by disclosing business and other information actively and honestly. We strive to promote understanding and trust of society through a constructive dialogue with a wide variety of surrounding stakeholders.

The Companies should provide the customers with various types of information that are necessary for making rational decisions related to the business with the Companies. Furthermore, they shall make sure that the customers would always have access to the necessary and relevant, information about all services provided by the Companies. The Companies should comprehensively inform customers about their rights and obligations, benefits and possible risks related with the Companies’ suggested products or services.

All the provided information should be clear, honest and complete.

9. Equal Working Conditions

The Companies shall ensure equal employment conditions for all their employees. Employees shall be treated with respect, dignity and fairness. Decisions regarding employees shall only be made on grounds of professional and objective eligibility and individual merit. No employee shall be treated differently because of ethnicity, gender, religion, sexual orientation or other personal characteristics protected by law. The Companies shall take the appropriate steps to prevent unequal or discriminatory treatments of any kind.
The Companies should aim to create a favorable business environment for all interested groups of people. This includes pursuing to protect the rights of the disabled and establish inclusive measures.

10. **Political Involvement**

The Companies should stay politically neutral and not support or make contributions to political parties or candidates. The employees of the Companies may get involved into political activities, but may only do so only in their private time. The employees shall not use any of the Companies’ funds and means for their political involvement.

11. **Reporting Violations**

Every employee, supplier, business partner, client or any other person connected to the Companies should always promptly report possible violations of the Code or of the law. If an employee of a Company becomes aware of a situation which might lead to, or could already constitute, a violation of the code, he has the duty to contact the responsible office. If a situation arises where it's unclear whether there actually is a violation of the Code, it is always appropriate to inform the responsible office, so the situation can be assessed.

The report can be made online, via e-mail, phone, or in a personal meeting with the respective responsible person, e.g. the respective line manager. It is not required to provide the name or other identifying information when filing a report, but it is encouraged to provide as much information as possible, which might help to resolve the situation. The provided information will be kept confidential and only used to resolve the situation. Every reported possible violation will be investigated promptly and duly.

The Association does not allow any form of retaliation against individuals, who reported possible violations in good faith.

12. **Consequences of Violations**

Violations of this Code will be subject to disciplinary action. These disciplinary actions are including and reach up to the revocation of the membership status of a Company from this Association.