



# CODE OF ETHICS

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# 1 Introduction

## 1.1. Policy

**dfcu** Bank is committed to conducting its business professionally and with integrity, in compliance with the law. The Board of Directors has adopted this Code of Business Conduct and Ethics (the “Code”) to provide guidance on how we put dfcu’s values and behaviour into practice, as well as management of ethical issues and the promotion of an ethical culture. The Code should be read in line with the various Bank policies, standards and guidelines.

If you have any questions or concerns, don't be silent, please speak up. Report any concerns regarding misconduct or suspected violation to your line manager, your Human Capital representative, or Compliance, or confidentially through our independent reporting line.

## 1.2. Who does the Code apply to?

Please study the Code carefully so that you understand the Bank’s expectations and your obligations

The Code applies to the Board of Directors, all employees and all representatives of the Bank. While the Code is specifically written for dfcu Board members and employees, we expect dfcu contractors, consultants, and others who may be temporarily assigned to perform work or services for dfcu Bank to follow the Code in the provision of services to the Bank. Failure of a dfcu Bank contractor, consultant, or other covered service providers to follow the Code can result in termination of their relationship with dfcu Bank.

# 2 **dfcu** Code of Conduct

## 2.1 **dfcu** Bank Vision

To be the preferred Ugandan financial institution providing a broad range of quality products to our chosen customer segments.

## 2.2 **dfcu** Bank Mission statement

To grow shareholder value while playing a key role in transforming the economy and enhancing the well-being of our people. Through our dynamic and responsive teams, we will provide innovative financial solutions and maintain the highest levels of customer service and professional integrity.

## 2.3 dfcu Bank Values

**dfcu** Values are the bank's beliefs about what is desirable and what is not. These values are important for the bank as they exert influence on the behaviour of all employees and also reflect how individual staff performance is measured.

**Professionalism** – We aim for excellence in everything we do.

**Customer Focus** – We are approachable and ready to listen to our clients.

**Integrity** – we are honest, consistent and uncompromising.

**Courage** – we openly share our views.

**Teamwork** – we support each other in the interests of the Organization.

## 2.4 Encouraging a Culture of Ethics and Compliance

The Board of Directors is expected to promote ethical behaviour and help foster a culture of ethics and compliance. The Board of Directors should exercise reasonable oversight—either directly or through a designated Committee—to support the Bank in:

- Establishing appropriate standards and controls to prevent and detect misconduct.
- Promoting and enforcing these standards consistently throughout the Bank.
- Establishing mechanisms for and encouraging employees to seek guidance and to report potential violations of law and Bank policies, without fear of retaliation.

# 3 Components of the Code of Conduct

## 3.1 Compliance with laws and regulations

All employees must work to protect the Bank and its legal interests by complying with all relevant laws, Bank policies and rules, abide by sound social norms, and take appropriate action against any illegal or criminal acts or acts in violation of the company's policies and rules. The bank will not condone any violation of the law or unethical business dealings by any employee. This includes any payment, or other form of participation in an illegal act, such as bribery, unreasonable or unlawful management requests, and/or unethical work practices.

Where there are differences between the standard of the law or regulations and the requirements of the Code, the higher standard will be applied. Where you are unsure of the right action to take, you must consult your line manager, or Compliance. We expect you to be ethical and responsible and avoid actions that will negatively impact the bank's finances, products, partnerships and public image.

## 3.2 Conflicts of Interest

**dfcu** respects the privacy of its Directors and Employees in their personal affairs and activities. Directors and Employees must avoid situations in which their personal interests conflict, or appear to conflict, with the interests of the Bank.

Conflicts of Interest (a "Conflict") arise where one or more stakeholder has a competing interest in a particular transaction or arrangement. A Conflict may arise where:

- the interests of the Bank and a Client of the Bank either directly conflict or are incompatible with one another [Bank/Client Conflict];
- the personal interests of an Employee or other agent of the Bank conflict or are incompatible with those of a Client of the Bank [Bank Employee/Client Conflict];



- the personal interests of an Employee or other agent of the Bank conflict or are incompatible with those of the Bank [Bank Employee/Bank Conflict]; and/or
- the interests of two or more Clients of the Bank directly conflict or are incompatible with one another [Client/Client Conflict],

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of the Bank may conflict with our own personal or family interests. We owe a duty to the Bank to advance its legitimate interests when the opportunity to do so arises.

The Bank respects the right of all employees to make personal investment decisions as they see fit, as long as these decisions do not contravene the conflict of interest provisions of this code or any applicable legislation.

Employees involved in performing investment activities on behalf of the bank or those who by the nature of their duties or positions are exposed to price-sensitive information relating to the Bank should obtain approvals from line management and Compliance before making personal investments.

Examples of situations in which a conflict of interest can arise include inter alia:

- Having an investment in any business or entity, that does business similar to that of the bank or competes with the bank.
- Supervising a family member or someone with whom you have a close personal relationship, where you can influence their recruitment, salary, performance rating, promotion or other employment terms.
- Serving as a director or board member of another entity which is a competitor or supplier of the bank.

All Employees are required to disclose to line management, and Compliance any actual, potential or perceived Conflict of Interest on employment as and when they arise. This is an on-going obligation.

Directors are required to disclose any actual, potential or perceived Conflict of Interest to the Chairman of the Board or Company Secretary as and when they arise. This too, is an on-going obligation.

You are required to make an initial declaration of conflict of interest and thereafter, annually or as and when any new conflicts arise.



### 3.3 Staff Interest and Gifts

You should not solicit or accept gifts and hospitality from customers, suppliers, contractors, and any other stake holders, under any pretext. This is to avoid any damage to the Bank's reputation or distortion of good business judgment, and to comply with statutory provisions. Accordingly, all appreciation in form of gifts/cash above UGX100,000 should be declared to the line manager and recorded in the gift register before it is used.

We do not prohibit normal and appropriate hospitality, given and received, to or from third parties. The giving or receipt of gifts and hospitality is not prohibited, if the following requirements are met. The list is not exhaustive:

- It has been disclosed and approved by your line manager in advance where it is possible to do so, or as soon as possible afterwards but not exceeding five (5) days.
- It is not made with the intention of influencing, inducing or rewarding the recipient in order to gain any advantage through improper performance, or in explicit or implicit exchange for favours or benefits.
- It complies with the law.
- It is appropriate in the circumstances for example small gifts and hampers given at Christmas time.
- It is given openly, not secretly.
- Branded/promotional items.

Customary business entertainment is proper however, impropriety results when the value or cost is such that it could be interpreted as affecting an otherwise objective business decision.

Particular care should be taken in respect of any gifts given to, or at the request of Public Officials. Care should be taken to properly identify Public Officials, as generally, these persons are subject to strict internal rules governing gifts and entertainment.

Employees with questions about accepting business courtesies should talk to their line manager, Compliance or the Human Resources department.

You are required to read and understand the Bank's Anti Bribery and Corruption Policy.

### 3.4 Respect in the workplace

**dfcu** Bank is committed to creating an environment where we are treated with dignity and respect, because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We will not allow any kind of discriminatory behaviour, harassment(including sexual harassment), bullying, or victimization, fraud and Substance abuse. Employees should apply equal opportunity in all aspects of their work, from recruitment and performance evaluation to interpersonal relations.

Any employee who feels harassed or discriminated against should report the incident to his or her line manager or to the Human Resources Department or confidentially through our independent whistle blowing line



### 3.5 Professionalism

All employees must show integrity and professionalism in the workplace.

Integrity is the act of behaving honourably, even when no one is watching. Integrity should extend to professional areas at work such as decision making, interacting with colleagues and serving customers or clients.

Professionalism - The status, methods, character or standards expected of an individual or organisation such as reliability, discretion, even-handedness, and fair play.

Employees shall always strive for excellence in performance of their specific duties, and shall also endeavor to gather business knowledge and information, constantly improve their policy awareness, professional qualifications and improve competence and work efficiency.

### 3.6 Anti-Bribery and Corruption (ABC)

**dfcu** Bank has zero tolerance to bribery and corruption. We are required to comply with the Anti-Corruption Act 2009, as maybe amended. We will not pay and will not accept bribes, either directly or via third parties, in any circumstances. We will seek to encourage an equivalent policy in other business entities with which we have a significant business relationship. These business relationships include but are not limited to government officials, external service providers, such as suppliers, insurers, legal firms, surveyors and debt collectors.

Bribery and corruption may occur in various ways and fields, among which are cash, gifts and hospitality, donations, service provision and business partnerships.

You should contact the Compliance team for support in case the need arises.

You are required to read and understand the Bank's Anti-Bribery and Corruption Policy.

### 3.7 Know Your Customer / Anti-money laundering (AML)

Money laundering is a term used to describe process of concealing or disguising the origins and proceeds of illegal transactions.

The bank does not do business with persons involved in money laundering/terrorist financing. The Bank believes that no customer relationship is worth compromising our commitment to combating Money laundering and terrorist financing.

Policies have been put in place to ensure that the products and services of the Bank are not used to launder the proceeds of crime and that we are aware of our obligations and the need to remain vigilant in the fight against money laundering/terrorist financing. It is essential that every employee be fully familiar with applicable Customer Due Diligence/ Know you Customer regulations.

Employees, Directors and agents must observe the following:

- NOT assist anyone whom we know or suspect to be laundering money that has been derived from crime.
- Report any transaction which you suspect might be related to drugs, terrorism or other serious crimes.

NB. Where a suspicious transactions report is made, or information furnished in good faith, the Employees, Directors, Officers & agents shall not be criminally, civilly or administratively liable for complying. “Extract from the Anti-Money Laundering, Act 2013”

Breaches of the Policy may lead to adverse publicity, loss of customer confidence and business, financial loss and prosecution. You may contact the Compliance department for advice.

You are required to read and understand the Bank’s Anti-money laundering and Know Your Customer Policy.

### 3.8 Asset Protection

Bank resources, including time, material, property, equipment, Intellectual Property, information, data and all or resources are provided for the Bank’s business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace. Employees and those who represent the Bank are trusted to behave responsibly and use good judgment to conserve Bank resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

You should treat the Bank’s property, whether material or intangible, with respect and care.

You should:

- Not misuse Bank property or use it frivolously.
- Respect all kinds of incorporeal property. This includes trademarks, copyright and other property (information, reports etc.) Employees should use them only to complete their job duties.
- Protect the Bank’s facilities and other material property (e.g. Bank cars) from damage and vandalism, whenever possible.
- Never use Bank property or information for personal gain or personally take advantage of any opportunity that is discovered through your position with Bank.

### 3.9 Information Security

Being a Bank, we collect information to fulfil various regulatory expectations and enable us to make informed decisions. Protection of our assets and information is thus paramount. Breach of information security may lead to regulatory censure and reputational damage. We should ensure that we properly protect access to systems which store, process or manage information, as well as the information itself. The information that can be accessed via **dfcu** Bank’s systems is for organisational business only and is to be regarded as private and confidential at all times, unless it has been made available to the public.

If you use the Bank’s equipment, you must do so within its assigned configurations without modifying its software or hardware setups. Any attempts to bypass security measures are strictly forbidden. **dfcu** Bank owns the systems that are used to produce data, this data is therefore the property of **dfcu** Bank. All notes, emails and work-related information is paid for by the Bank by virtue of staff remuneration and therefore becomes part of **dfcu** Bank’s collective data assets. Abuse of these resources or endangering of sensitive data exposes the Bank and its employees to unfair risks and market disadvantages. You are reminded to be diligent in using and accessing IT resources. It is through the integrity and protection



of its information and data that **dfcu** Bank is able to continue to strive and succeed. **dfcu** Bank purchases and issues hardware equipment to you as an important business tool and you are responsible for the assets in your possession at all times. You are urged to take the necessary safety precautions with the assets issued to you.

You should ensure that you protect the Bank's systems and information from unauthorized access, use, processing, storage and disclosure.

The resources at the disposal of employees are intended primarily for official business. **dfcu** Bank accepts that a certain degree of personal use does occur and therefore expects that one is conservative in their personal use. In order to protect the interests of the Bank network, **dfcu** Bank reserves the right to monitor and intercept all electronic communications. If you have been granted Internet access, you must remember that the privilege is for official purposes and personal use must be restrained, exercise good judgment. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

While the Bank accepts that employees may, from time to time, use its information and communication technologies for personal use, the Bank reserves the right to monitor the use of its information and communication technologies to ensure operational effectiveness and to prevent or investigate a suspected breach of the law or Bank policies. The Bank has the right to examine network traffic and to access all files, including email.

The Bank expects all employees to conduct themselves in the following manner when using the Bank's Information and Communication Technology facilities:

- Exercise professionalism in communicating through email.
- Use email and the internet primarily for Bank business. -
- Ensure that all internet use complies with all the relevant laws.
- Ensure that internet sites visited are not embarrassing to you or the Bank and do not bring the Bank into disrepute.
- Do not engage in any online activities in chat rooms, bulletin boards, blogs or other social networking sites regarding Bank business without prior approval from your supervisor for these activities.

You may contact the Risk department should you need additional advice.

You are required to read and understand the Bank's Information Security Policy and Communications Policy.

### 3.10 Confidentiality

We have a duty to our clients and shareholders to keep their information confidential. You must maintain the confidentiality of non-public information entrusted to you by the Bank or other parties with whom the Bank does business, except where disclosure is authorized or legally required. Protected information includes any information the Bank has not disclosed or made generally available to the public, and that is material or might be harmful to the Bank or its shareholders or suppliers or customers if disclosed. Think carefully before distributing any information, inside or outside the Bank.

**dfcu** Bank regards all data (for example, personal and transaction information),

proprietary data (for example, strategic and expansion plans) and copyright material (for example, information on new products and services) as private and confidential information that should not be distributed to any person or entity outside the organization. This information can exist in any form, it can be stored electronically in any of **dfcu** Bank's systems, it can be printed or written down. The use of this information is strictly limited to business purposes only.

Breaches of the Security Policy and Communications Policy may lead to adverse publicity, loss of customer confidence, prosecution and restriction of the Bank's business activities.

You are required to read and understand the Bank's Information Security Policy and Communications Policy.

## 4 External Communications

You should avoid conduct which may make the Bank the subject of unsavoury media attention. Any contact with the press should be in accordance with the Bank's Communications Policy. The Bank acknowledges that in some instances, you may not have solicited the attentions of the press and may through no fault of your own appear in the press.

You should ensure your outside communications (including online and social media posts) do not disclose confidential proprietary information or represent (or otherwise give the impression) that you are speaking on behalf of the Bank unless you are authorized to do so by the Bank.

Before making any external communication or disclosure, you should consult our Marketing Department.

You are required to read and understand the Communications Policy.

## 5 Speaking Up

**dfcu** Bank has a Whistle-blower Policy, which provides a means for every employee to report, including anonymously, a suspicious concern outside the normal reporting channels. The Policy complements the normal reporting channels. A whistle-blower is a person who raises a report about an actual or suspected irregularity or misconduct within **dfcu** that leads to a violation of **dfcu** business principles, code of conduct, **dfcu** policies or any laws and regulations. A 'Concern' is a report raised by a Whistle-blower.

**dfcu** guarantees protection from retaliation for an employee who reports a Concern in good faith, who provides information, who assists in an investigation and who respects the confidentiality of the matter. Concerns about actual or suspected irregularity or misconduct of a general, operational or financial nature within **dfcu**, including but not limited to financial malpractice, Money laundering or terrorist financing, conflict of interest, market abuse, insider trading, fraud, bribery and corruption should be reported to line management or confidentially through the whistle blowing line.

You should consult the Risk Department in case of advice.

You are required to read and understand the Bank's Whistle-blower Policy.





## 6 Environmental, Social and Governance (ESG) Policy

**dfcu** Bank recognises that our sustainability and success are inextricably linked to the prosperity and wellbeing of the society & environment in which we operate. We are clear that our core business activities must contribute to this, supported by sound ESG policies and outcomes.

We are committed to incorporating ESG risk considerations into our decision making and aim to be aligned with international best practices in this regard.

As a provider of lending services for clients in various sectors, we recognize that our business decisions have the potential to impact surrounding communities and the environment. **dfcu** Bank believes that balancing environmental and social issues with financial priorities is fundamental to sound risk management and a core part of corporate responsibility. Protecting the natural systems which all life depends on while lifting people out of poverty and advancing economic development are among the greatest challenges confronting humanity.

We recognize that the policies and practices we adopt today will shape not only our lives but also those of future generations.

You are required to read and understand the Environmental Social and Governance (ESG) Policy.

## 7 Accountability

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about the Bank Policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the Human Resources department. We take seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.



## 8 Relations with Regulators

The Bank has a responsibility to deal with its Regulators in an open and cooperative way, promptly advising the Regulator of anything relating to its employees or the Bank that they would reasonably expect to be informed of.

## 9 Financial Markets dealers code of ethics

Financial Markets Employees should not use Electronic Communication Systems to facilitate inappropriate discussions or attempt to or actually coordinate or manipulate the financial markets by adhering to the following principles

Financial Markets Employees contribute to the integrity of financial markets; and

Financial Markets Employees should not use Electronic Communication Systems to facilitate inappropriate discussions or attempt to or actually coordinate or manipulate the financial markets by adhering to the following principles.

### Principle 1: Appropriate Communications

All Financial Markets Communications must be accurate, professional in tone, not misleading and must not contain language that is, or could be construed to be, offensive or inappropriate in nature.

### Principle 2: Market Rumours

Special care must be taken in connection with any Communication that includes discussion of a Market Rumour in order to ensure that the Communication has a reasonable basis for all statements made, in particular:

Financial Markets Employees may not initiate Market Rumours under any circumstances.

Discussion of widely distributed Market Rumours should be limited to explaining associated market impact or providing context.

Communications about Market Rumours must make clear that the relevant statements are not to be treated as fact and that they are based on unsubstantiated facts.

Communications about Market Rumours must not embellish the information or otherwise add to its credibility.





### Principle 3: Communications Systems

All Electronic Conversations must be conducted on Approved Communications Systems.

Conversation Owners must obtain approval from the Head of Financial Markets for all existing and new Chat Rooms with internal and/or external participants.

Conversation Owners must actively review the content of the Chat Rooms that they own, ensure that the number of participants is as small as possible and relevant and delete Chat Rooms if no longer required.

Unrecorded devices should not be used for business related conversations. Dealers should not conclude deals with customers on mobile phones when they are off-premises and during out of office hours but call them back on a recorded landline to conclude the trades.

Wherever possible, Financial Markets Employees should use personal devices for Personal Conversations. Personal Conversations must be kept to a minimum on Approved Electronic Communication Systems.

Financial Markets Employees are prohibited from intentionally or negligently engaging or participating in any Electronic Conversation which contains any unacceptable or inappropriate content. This includes passive observation of unacceptable or inappropriate Electronic Conversations.

Forwarding business related Communications and materials to and from personal email accounts (for example G-mail) without prior authorisation from line management and Information Risk Management is prohibited.

Financial Markets Electronic Conversations can be used as evidence in legal proceedings and regulatory enforcement actions and, as such, use of language that could be seen as circumventing internal policies must be avoided, for example "Go to WhatsApp/ Let's take it offline"; "It's confidential"; "Out of the Office after 1700 hrs. call me on my personal mobile".

In instances where there is a concern regarding potential inappropriate content in a Communication, the concern must be escalated to the Head Financial Markets.

All Financial Markets staff are required to read and understand the Dealing Room Communication Policy.

## 10 Disciplinary Action

Abiding by the standards outlined in this Code and related policies is a condition of continued employment with dfcu bank. Violations of law, regulation, rule, or breaches of policy, procedure, or this Code may result in disciplinary action up to and including termination of employment or other relationship with **dfcu** bank. They may also be reported to regulators and can result in civil or criminal penalties, disqualification from serving in certain capacities, and a permanent bar from employment in the financial services industry.

Misconduct that may result in discipline includes:

- Violating or asking others to violate this Code.
- Failing to raise a known or suspected violation of this Code.
- Retaliating against another employee for raising a concern in good faith or for participating in an investigation.

## 11 Waivers

To the extent that exemptions are available from dfcu policies, they are detailed in the specific policy, together with the exemption process.

Waivers related to other provisions of this Code may be granted only by the Risk Management Committee. Any waiver of this Code for an Executive Officer or a member of a Board of Directors of **dfcu** bank may be made only by a decision of the **dfcu** Board of Directors or a Board Committee.

All waivers of this Code should be notified to the Board of Directors.







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Plot 26, Kyadondo Road  
P.O. BOX 70 Kampala Uganda  
Tel: 0414 351 000 | 0800 222000  
[www.dfcugroup.com](http://www.dfcugroup.com)