



**CODE OF ETHICS**  
**OTP BANKA SRBIJA A.D. BEOGRAD**

Belgrade, June 2020

## Contents

1. Introduction .....	3
2. The personal scope of the Code of Ethics .....	3
3. Values .....	3
3.1 Protection of the Bank's assets .....	3
3.2 Protection of the Bank's reputation.....	4
3.3 Fit and proper procedure.....	5
3.4 Mutual respect.....	7
3.5 The Bank's commitments .....	7
4. Reporting of ethics issues .....	10
<b>Annex I</b> - Message from the Chairman and Chief Executive Officer of OTP Group.....	10
<b>Annex II</b> - Declarations on the acceptance of the Code of Ethics ( <i>2 versions</i> ) .....	10

## **1. Introduction**

OTP Bank Srbija a.d. Beograd (hereinafter referred to as the "Bank") Code of Ethics formulates clear and unambiguous guidelines and requirements for both the Bank and those affiliated with the Bank, in respect of ethical business operations, in order to protect the Bank's values.

The Code of Ethics is based on international standards, best practices and own operational experiences, which take into consideration the requirements imposed on the Bank and practical feasibility.

The Bank's statutory corporate governance system simultaneously serves customer confidence and satisfaction, the increase of shareholder value and social responsibility.

Compliance with the rules of ethics and ethical operation within the Bank is supervised, in accordance with the principles and expected forms of conduct stipulated in the Code of Ethics.

The Bank provides the opportunity to report violations of the Code of Ethics,; in addition, it does its utmost to protect the employees reporting infringements from discrimination and unfair treatment: it prohibits the application of retaliatory measures or negative consequences against anyone reporting in good faith any presumed or real breach of the values and principles of the Code of Ethics.

The Bank attaches particular importance to making sure that the employees familiarize with and develop awareness of the norms of ethics and therefore it conducts a training.

## **2. The personal scope of the Code of Ethics**

The Code of Ethics specifies obligations for the Bank's senior officers (hereinafter collectively referred to as "executive officers"), its employee (the aforementioned collectively referred to as "employees") and its agents. For the purposes of the Code of Ethics "agents" include representatives, experts, intermediaries, consultants, agents *per se*, subcontractors and suppliers, along with enterprises and natural persons in other legal relationships with the Bank under the civil law. The provisions set forth in the Code of Ethics must be observed and complied with by all the above mentioned persons and organizations during the entire period of their employment or contractual relationships – both during and outside working hours.

The employees and the agents performing contractual obligations for the Bank and, in the course of their activities, meeting a wide range of the Bank's existing or potential clients, performing services for them on behalf of the Bank, and appearing before the public in the course of the performance of their contractual obligations clearly as representatives of the Bank, accept the Code of Ethics by signing the declarations pertaining to them.

## **3. Values**

### **3.1 Protection of the Bank's assets**

Every employee is responsible for the protection of all such tangible, financial and other assets of the Bank, the clients and the agents, with the management of which they have been assigned. Assets of the Bank, clients, agents and other actors may only be applied and used for authorized purposes, in accordance with the applicable permits and conditions.

Inappropriate management or unauthorized sharing with third parties of assets owned or used by the Bank are considered to be a breach of obligations towards the Bank and as such, may qualify as economic crimes against the Bank. Likewise, negligence relating to, wastage or unauthorized use of the Bank's assets may also constitute violation of obligations towards the Bank.

For the purposes hereof, assets include cash, securities, physical property (instruments, inventories, equipment, etc.), services, business plans, information related to clients, employees and agents, intellectual property and any other personal, legally protected and confidential information. No one must make excessive personal use of the equipment and services made available to them.

### **3.2 Protection of the Bank's reputation**

#### **Requirements concerning conduct**

Our employees must – both inside and outside the workplace – refrain from any expression that may have a negative impact on the Bank's reputation.

The Bank expects its employee to behave, even in their private lives, in conformity to and in a way that is worthy of the Bank's norms of ethics, particularly when their activities or themselves may be associated in any way with the Bank or when they may appear to be acting or expressing opinions on behalf of the Bank.

Employees may participate and express their opinions in any organization (political, religious or cultural) only as private individuals, and they must refrain from making references to their association with the Bank.

Employees must not exercise their right of expression in any way that violates the Bank's reputation or its rightful economic or organizational interests.

#### **Social media**

In the course of their activities in social media our employees must refrain from any expression that may have a negative impact on the Bank's reputation. The Bank expects its employees to behave – in the course of their communications in social media as private individuals – in conformity to and in a way that is worthy of the Bank's norms of ethics, particularly when their activities or themselves may be associated in any way with the Bank, or when they may appear to be acting or expressing opinions on behalf of the Bank.

Accordingly, in the course of their activity performed in the social media, our employees should particularly

- be respectful and tolerant towards others in terms of their religious, national and ethnic origin, sexual orientation, political or ideological beliefs;
- refrain from posting hate propaganda or racist content;
- respect the constitutional and statutory rights of others;
- show respectful conduct towards the Bank's competitors, too;
- refrain from communicating false, deliberately misleading or fake information;
- refrain from publishing illegal content or information inciting unlawful acts;
- refrain from using vulgar, obscene, libelous or defamatory expressions;
- to treat others in a way that will not lead to discrimination and abuse

## **Political involvement**

We recognize our employees' right to assume roles in politics and in public life, but such activities may only be performed outside the workplace. In the course of their political activities outside the workplace, employees must not misuse their positions at the Bank and they must refrain from behaving in any way that may have a negative impact on the Bank's reputation.

Employees must inform the Bank before assuming any position in any political or state organization. In the course of their work at the Bank, employees may not misuse their roles or positions assumed at the political or state organization.

The Bank's resources (human resources, facilities, other assets) must not be used in support of political events.

### **3.3 Fit and proper procedure**

#### **Anti-corruption**

##### Corruption, prohibited manipulation

Prohibited manipulation is the provision or achievement of advantage without entitlement or unlawful advantage, in exchange for consideration. No employee or any other person acting on behalf of the Bank shall ever either offer, promise or make a payment or provide any other item of value or request or accept such item with the aim of influencing public officials or other persons (or to give rise to the appearance of such influence), or to attain unfair business advantage.

Items of value include financial or other types of advantages, such as – besides cash – gifts, credit/loan, collateral, any offering in the course of the provision of a loan, discount, entertainment, services, benefits, offering of a job, etc. It has no minimum amount or threshold value whatsoever that should be exceeded before such payment provided for the above purposes or gift qualifies as illegal or conflicting with the Code of Ethics.

Even the suspicion or appearance of corruption and prohibited manipulation must be avoided.

#### **Gifts**

Handing out gifts is often part of the local culture and traditions. Giving gifts in the course of business and client relationships may contribute to the company's reputation and to the establishment of good business relationships. Customary gifts, for business purposes, may be given and accepted; however, the total monetary value of gifts given or accepted within one quarter must not exceed 10 000 dinars.

No gift whatsoever may – regardless of value – be accepted in the public client area. The gift should not be cash or supplementary benefit provided in lieu of or directly related to banking services.

If, in spite of the above, a gift exceeding the value limit referred to earlier, is offered and cannot be refused, it has to be reported to the direct superior and Compliance Sector, specifying the organization or person from which/whom the gift was received, the nature of the relevant business relationship and the gift itself.

Any and all forms of exchanging gifts at the expense of the employer (representative budget) between employees are prohibited, whether within an institution or among employees belonging to different subsidiaries of the Group. Gifts may be given by employees as private persons, at their own expense (e.g. in the case of one's birthday).

Non-cash gifts of protocol nature, related to the senior management level, the purpose of which is other than influencing the business relation existing or to be established with the Bank, are exempted from the prohibition.

An employee must not give or accept gifts in circumstances where it may appear for outsiders that this may influence a business decision or where it may be regarded as a case of bribery.

Even the suspicion or appearance of the Bank or its employee influencing or trying to influence official bodies must be avoided; therefore particular care must be taken in connection with gifts and invitations in relation to official bodies, international and/or civil society organizations.

An invitation or entertainment may take a variety of forms, including organized events, hospitality, concerts or trips. Making or accepting an invitation may be a legitimate part of business operations, it may contribute to the Bank's reputation and to the establishment of good business relationships. Making and accepting customary business-type invitations is permitted. Such cases may include invitations to lunch or dinner, participation in receptions or other types of entertainment, such as hospitality or reimbursement of travelling costs. Such costs must, however, always be kept within reasonable limits, where "reasonable limit" depends on the actual situation.

Business decisions must always be made in accordance with the Bank's interests and not on the basis of the personal relationship, the development of which has been facilitated by the gift or invitation. The primary objective is to protect and preserve the Bank's reputation and impeccable integrity.

#### Payments facilitating business procedures

Facilitating payments include unofficial benefits aimed at facilitating and accelerating an action or procedure to which the paying person is otherwise entitled. The Bank dismisses the practice of facilitating payments and will not make such payment when they are requested.

#### Sponsorship

The Bank's employees are not permitted to provide – in connection with their activities relating to their employment relationships or positions held – pecuniary or non-pecuniary support for any political party, organization or any member or representative thereof. The Bank agrees to and accepts to be bound by this principle as well.

#### Donation

In the framework of its social responsibility, the Bank provides donations for certain organizations and groups in need. Donations may only be provided in accordance with the applicable statutory and internal regulatory documents. Neither the Bank nor any of its employees may ask for or accept any direct or indirect consideration in exchange for a donation.

### **Conflicts of interest**

In accordance with the provisions of the applicable statutory regulations and the Bank's regulatory documents the employees must avoid any actual conflicts of interest and even the appearance thereof in relation to their positions, work and themselves. They must refrain from any and all activities that are contrary to the Bank's and/or the clients' interests and they must make their decisions in an impartial and unbiased manner.

The employees must report any actual or potential conflicts of interest in relation to themselves, their relatives or their own or their relatives' business interests and the interests of the Bank or its clients. The employees shall collaborate with the Bank to quickly and efficiently resolve any conflicts of interest.

In relation to their positions, work and/or the Bank's interests, the employees must not demonstrate any conduct or hold any position that results in conflicts of interests.

Every one of employees refrains from involvement in decision making process in relation to offering Bank's products to their family and from any input by themselves of any transaction on their own account(s) and the accounts of their family (spouse, common law spouse, parents, and children).

In view of its investment service and auxiliary service provision activities, the Bank prepares a policy on conflicts of interest in order to avoid, identify and manage any conflicts of interest that are detrimental to its clients. The conflicts of interest policy specifies the circumstances that lead or may lead to such conflicts of interest in the case of the given investment or auxiliary services that may have detrimental consequences for the client, and it contains the detailed procedural rules and measures to be applied in the management of the given conflicts of interest.

### **3.4 Mutual respect**

#### **Discrimination**

The Bank seeks to create a working environment in which individual differences are accepted and appreciated. All forms of negative discrimination based on real or assumed attributes<sup>6</sup> of the given person – including but not limited to race, sex, nationality, religious or ideological conviction, sexual identity, ethnic origin, disability, sexual orientation, political or other views, marital status, etc. are prohibited.

#### **Harassment**

The Bank forbids and does not tolerate any behavior based on intimidating employees, especially if exploiting this, employees are forced to show a conduct that is not in line with the Bank's regulatory documents or the applicable statutory regulations.

Any verbal, non-verbal or physical form of behavior aimed at or resulting in the prejudice to the given person's dignity or creating an intimidating, hostile, degrading, aggressive, humiliating or offensive environment, is prohibited.

If an employee feels that he or she has fallen victim to harassment referred to above, the Direction of Human resources or Compliance Sector should be notified through any of the defined channels, which will then investigate the case and take the necessary measures.

### **3.5 The Bank's commitments**

#### **Comply with business-related laws, regulations and standards**

The Bank comply with applicable agreements, laws and regulations everywhere, and with additional international commitments and agreements that it has endorsed and conduct business while abiding by professional policies and procedures and ethical practice.

#### **Financial reporting**

The Bank prepares, presents and publishes its financial reports in accordance with the generally accepted accounting principles and the applicable statutory regulations. The reports must contain the Bank's financial position and the results of its operations in all relevant aspects, thereby also ensuring fair information provision to relevant parties.

## **Competition law**

The Bank's management is committed to and interested in ensuring the operation of free and fair market conditions facilitating competition. The Bank refrains from any conduct that could result in restricting competition in the market or in the abuse of its dominant economic position. Such conduct may include, *inter alia* entering in unfair economic competition (in a way that violates or jeopardizes the rightful interests of clients, competitors and/or partners); making or accepting proposals aimed at agreeing on prices, sharing marketing information affecting competition or dividing market and clients (cartel agreement); and discussing issues of relevance from the aspect of restricting competition (e.g. prices, pricing policies, costs, marketing strategies) in meetings of professional organizations representing trade interests.

The employees must behave in the course of their day-to-day activities involving the Bank's competitors and business partners in awareness of their responsibility under the competition law.

## **Insider trading**

In the course of their day-to-day work, certain employees of the Bank may acquire insider information, which they must not use in any way violating the law. The Bank condemns insider trading.

Insider trading, unauthorized disclosure of insider information and prohibited market manipulation shall be governed by the provisions of the Criminal Code, the Law on Capital markets as well as the Bank's internal regulatory documents.

In accordance with its internal regulatory documents, the Bank takes all necessary measures to prevent and prohibit insider trading.

## **Confidentiality**

One of the most essential requirements for the confidential relationship between the Bank and its clients is strict protection of business secrets and confidential information pertaining to clients. Employees must comply with the confidentiality obligation even after their positions or employment statuses are terminated.

The employees must refrain from formally or informally sharing any information relating to the operation and activities of the Bank in cases where this is neither required for the regular business procedures nor related to the employee's tasks and in cases involving persons that are not employees or business partners of the Bank.

The protection and keeping of business, bank and securities secrets must be ensured in accordance with the relevant provisions of the Law on Banks, the Law on Capital markets, the Law on contracts and torts, the Law on protection of business secret, the Law on personal data protection, Company law, the Criminal code and other regulations along with the Bank's internal regulatory documents.

Our employees are required to make sure at the end of the day's work that their paper-based and electronic documents containing bank, securities or business secrets or confidential information are not left in places and/or in a condition where and in which they are accessible to unauthorized persons.



## **Anti-money laundering and counter-terrorism financing activities**

Financial service providers play an intermediary or recipient role in the performance of quick and secure money market operations for private individuals and for organizations, therefore there is a high risk of certain individuals' aiming at giving transaction orders via the Bank for illegal purposes or involving assets originating from criminal activities. The prevention of such acts and knowing the Bank's clients are extremely important, not only for the Bank but also from the perspective of the overall perception of the domestic money and capital market. In this regard, any illegal act may entail unpredictable consequences for the Bank and the market in terms of both the loss of reputation and the potential financial losses.

The employees of the Bank in areas having direct contact with clients and in other areas exposed to the above risks must take as definite steps as possible toward the prevention and combating of money laundering and terrorist financing and in order to obtain exhaustive information on their clients by applying the "Know Your Customer" principle.

In the course of their work they must proceed in full compliance with relevant regulations, international recommendations and internal Bank's acts.

## **Safe and healthy working environment**

The healthy and up-to-date working environment is provided for our employees in accordance with the relevant labor regulations and we provide for the protection of their bodily integrity and health. The Bank provides its employees with training on labor protection and fire protection.

Consumption and/or use of alcohol, illegal substances, drugs and/or other mind-altering substances at the workplaces of the Bank, at other venues and/or on other occasions relating to work for the Bank and/or in the course of activities relating to work is strictly prohibited, along with appearing under the influence thereof or performing activities qualifying as abuse (offering, handing over, dealing in, etc.). Civilized and moderate consumption of alcohol is permitted at protocol events and events not connected with the work or the bank.

All employees must comply with the health and safety regulations pertaining to work, in accordance with the relevant safety, labor and fire protection regulations.

The Bank continually complies with the domestic and international statutory regulations pertaining to the creation and maintenance of a safe and healthy working environment.

## **Compliance with the Code of conduct**

Every one of employees, both permanent and temporary employees, must comply with the Code of Conduct, thereby contributing to the protection of Bank's most important asset, namely our reputation.

Employees collectively and individually ensure this Code of Conduct is applied and that all of our actions comply with it, irrespective of our position within the Bank.

Compliance with the Code of Conduct is in particular enforced by the application of the internal policies and procedures of OTP Bank and of OTP Group.

Everyone assumes their responsibilities on a day-to-day basis, and must not hesitate to share their questions and concerns, where applicable, in order to prevent any kind of risk.

#### 4. Reporting of ethics issues

Upon suspecting or learning of potential violations of the values set forth in the Code of Ethics (ethics issues); when in need of advice or just have questions in general or about how to proceed in a given situation, the following options are available:

- in written on the address: OTP banka Srbija a.d Beograd, Compliance Division (Bulevar Zorana Đinđića 50a/b, 11070 Novi Beograd)
- by e-mail on the adress: [etickapitanja@otpsrbija.rs](mailto:etickapitanja@otpsrbija.rs)

Employees have possibility to directly contact their superiors, Compliance Division and HR Direction. If doubts remains, it may then be necessary to act as a whistle-blower. Each of us is entitled to raise a warning if we believe we have good grounds for considering that an instruction received, or a planned transaction, or more generally any given situation, does not appear to be in compliance with the policies and procedures that govern the conducting of the Bank's business.

As far as internal whistleblowing is concerned, written submission of information can be done by electronic mail on the mail address [alert@otpsrbija.rs](mailto:alert@otpsrbija.rs), in accordance with the domestic regulation and in line with internal acts, which are applied throughout the Bank in respect with whistle-blowing, including the whistle-blower's right of court protection.

Notifications, requests and investigations are at all times treated confidentially by the Bank, in observance of the applicable statutory regulations and internal rules, protecting the person reporting. Ethics issues may be reported in anonymity. In this case it must be taken into consideration that we may not be able to collect additional information that may be required for investigating and resolving the issue, therefore the Bank kindly advises the person reporting to provide some contact information – while retaining anonymity – so that we can ask for the necessary details.

Unfounded or ill-intentioned notifications (defamation) are unwanted and may entail legal consequences.

In the case of a breach of the Code of Ethics, the procedures and sanctions are applied in accordance with the principles defined in the Bank's internal regulatory documents. On establishing an ethical violation, the Bank institutes labor proceedings (applies discriminative sanctions).

#### Annex I - Message from the Chairman and Chief Executive Officer of OTP Group



Message from the  
Chairman and the C

#### Annex II - Declarations on the acceptance of the Code of Ethics (2 versions)



Declaration of  
business partner on



Declaration of  
business partner on

President of the Board of Directors



Laszlo Wolf