



**CODE OF ETHICS OF OTP BANKA SRBIJA A.D.
NOVI SAD**

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1. Introduction

OTP banka Srbija a.d. Novi Sad (hereinafter: 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 Bank adopted the Code of Ethics of OTP banka Srbija a.d. Novi Sad in which – in line with the external and internal changes and requirements – is continuously changing and developing. The Code of Ethics is based on international standards, the best practices as well as our own practical 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 of ethical operation within the Bank is supervised by the an Ethics Committee 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 either in person over the phone or in writing (by mail or e-mail), and in addition it does its utmost to protect the employees reporting infringements from discrimination and unfair treatment within the Bank; it prohibits the application of retaliatory measures or negative consequences against anyone reporting in good faith any or presumed real breach of the values and principles of the Code of Ethics.

The Bank attaches particular importance to making sure that the employees familiarise with and develop awareness of the norms of ethics, therefore it conducts an e-learning programme for every single employee, while reviews and monitors compliance with those norms on a regular basis.

Message from the President of the Board of Directors and from the Chairman of the Ethics Committee are appendices to this Code.

2. The personal scope of the Code of Ethics

The Code of Ethics specifies obligations for the Bank's managers and the members of its Board of Directors, Executive Board and the Audit Committee (hereinafter collectively referred to as "management"), its employees¹ (the aforementioned collectively referred to as "employees") and its business partners. For the purposes of the Code of Ethics "business partners" include representatives, experts, intermediaries, consultants, agents, subcontractors and suppliers, along with enterprises and natural persons in other legal relationships with the Bank under the law. The provisions set forth in the Code of Ethics must be observed and complied with by all the above mentioned persons and organisations during the entire period of their employment or contractual relationships – both during and outside working hours.

The employees and the business partners 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 by entering the text defined by document titled Business Partner Statement of Acceptance of the Code of Ethics in the contract.

¹ Employees: persons having an employment relationship or other relationship for the purpose of work with the Bank.

3. Values

The bank's values are material goods and human resources.

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 business partners, with the management of which they have been assigned. Assets of the Bank, clients, business partners and other actors may only be applied and used for authorised purposes in accordance with the applicable permits and conditions.

Inappropriate management or unauthorised 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 criminal offence against the Bank. Likewise, negligence relating to, wastage or unauthorised 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, buildings, inventories, equipment, etc.), services, business plans, information related to clients, employees and business partners, intellectual property and any other personal, legally protected and confidential information.

3.2. Protection of the Bank's reputation

Requirements concerning conduct

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

An appropriate work environment is free from harassment, intimidation, discrimination, improper tone and abusive language, both in the relationship between employees and in superior – subordinate relations; (management) instructions and actions violating the human dignity of employees are strictly prohibited.

The occurrence and continuance of financial relations and dependence (e.g. borrowing) between employees² is not encouraged.

The use of the proper tone, language, conduct and gestures in the communication with clients and agents is essential; in this respect, the exemplary conduct of the senior staff is important and expected by the Bank.

The Bank expects its employees 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 organisation (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 organisational 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.

² The provision related to the development of financial relations does not apply to employees in family relations.

- 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;
 - act towards others in a manner which is not leading to discrimination and abuse.

Political involvement

We recognise 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 organization or state body, organization of Autonomous Province or local government body. In the course of their work at the Bank, employees may not misuse their roles or positions assumed at the political organization or state body.

Employees may only provide support to political organisations or persons observing the prohibition as stated in Chapter " Sponsorship to political parties and organizations ". 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, non-cash 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 RSD.³ 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 Bank's Compliance Directorate, specifying the organisation 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 level⁴, the purpose of which is other than influencing the business relationship 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.

The above prohibitive provisions shall also apply to any gift given to a relative of the employee if the gift is made because of a business relationship between the employee and the client.

Even the suspicion or appearance of the Bank or its employee influencing or trying to influence official bodies (state bodies, organizations and its employees) 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 organisations.

An invitation or entertainment may take a variety of forms, including organised 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- as well as other forms of representation . 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 to political parties and organizations

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 and organisation or any member or representative thereof.

³ In any 3 months, the recipient of the gift may accept gifts in the value of maximum RSD 10,000, regardless of the number of gifts and/or the contributors. The maximum value also includes the value of a gift received by a functional area or an organisational unit, but given to an employee upon the superior's decision

⁴ For the purposes of this document senior management means the executive officers specified in this Code of Ethics, i.e. the members of the Bank's Board of Directors Audit Committee and the Executive Board.

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 organisations 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.

Staff members may not use the Bank's infrastructure to promote their own business.

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 attributes⁵ of the given person – including but not limited to race, skin colour, ancestors, citizenship, national affiliation or ethnic origin, language, religious or political beliefs, gender, gender identity, sexual orientation, financial position, birth, genetic characteristics, health, pregnancy, disability, marital and family status, previous convictions, age, appearance, membership in political, trade union and other organisations, political or other belief and other real or presumed personal characteristics are prohibited.

Harassment

The Bank forbids and does not tolerate any behaviour 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.

⁵ Please see Article 2 of Anti-Discrimination Law of Republic of Serbia.

Any verbal, non-verbal or physical form of behaviour aimed at or resulting in the prejudice to the given person's dignity or creating an intimidating, hostile, degrading, aggressive, humiliating and offensive environment, is prohibited. If an employee feels that he or she has fallen victim to harassment by the above, Compliance Directorate should be notified through any of the channels specified in section 4 or HR Directorate, which will then investigate the case and take the necessary measures.

3.5. The Bank's commitments

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 its investors.

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 jeopardises 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 (restrictive agreement under the Law on Competition Protection); and discussing issues of relevance from the aspect of restricting competition (e.g. prices, pricing policies, costs, marketing strategies) in meetings of professional organisations 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, unauthorised disclosure of insider information and prohibited market manipulation shall be governed by the provisions of the Criminal Code, Law on Capital Market, 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. The Bank consistently protects business and securities secrets stemming from its financial services activity. Employees must comply with the confidentiality obligation even after their positions, employment status or contract are terminated.

The employees and business partners 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 for in accordance with the relevant provisions of the Law on Banks, Law on Capital Market, Law on Obligations, Law on Protection of Business Secret, Law

on Personal Data Protection, Law on Companies, Criminal Code and other general regulation which define keeping secret and confidential data as well as 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 unauthorised 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, legal entities and other types of 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 sanctions of regulatory body which can cause 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 fully in observance of the provisions set forth in the Act on the Prevention and Combating of Money Laundering and Terrorist Financing, the Criminal Code, the recommendations of the National Bank of Serbia (Narodna banka Srbije), the FAFT and the Basel Committee on Banking Supervision, the relevant regulations of the European Union and the Bank's internal regulatory documents.

Safe and healthy working environment

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

4. Reporting of ethics issues, advice

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:

1. Verbally in the following manner:

a/ in person, during working hours to the Compliance Direction or

b/ by telephone, Mondays-Fridays, 8:00 a.m. - 4:00 p.m., 021/ 4894 906, or internally 4906

In writing in the following manner:

a/ by letter addressed to OTP banka a.d. Novi Sad, Compliance Directorate (Trg slobode 7, 21000 Novi Sad)

b/ by e-mail to: etickapitanja@otpbanka.rs

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.

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, procedure for determining of employee's responsibility for breach of work duty or non-compliance with labour discipline shall be initiated.

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 if needed.

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

MESSAGE OF THE PRESIDENT OF THE BOARD OF DIRECTORS

Dear Reader,

OTP Group is a prominent market participant of Hungary and the CEE region. The secret of our success is that thanks to our headquarters located in the CEE region, our 70 years of experience and customer base of 17 million, we comprehend the requirements of our clients and are able to satisfy them efficiently. The undiminished dedication of our colleagues, their openness to new solutions and their creativity all guarantee future success.

In addition to increasing the shareholder value, profitability and efficiency, the management of risks and lawful operation, as well as the efficient enforcement of business, ethical and internal controls are of utmost importance in the operation of the Bank.

As an ethical and law-abiding institution, the Bank and its entire management are committed to complying with all laws, including anti-corruption laws, and follows the principle of zero-tolerance in respect of corruption and bribery – it is strictly against all forms of corruption, and supports anti-corruption conduct.

Our knowledgeable and committed employees, acting according to our high standard of ethics, are key to our success. All employees of the OTP Bank Group are expected to perform their work in full compliance with the ethical and professional standards.

Transparent operation, as well as the harmonization of the interests of clients and the bank are of utmost importance. We are convinced that ethical operation substantially contributes to the enhancement of the bank's performance and competitiveness, as well as its domestic and international reputation.

The basis and guidelines of ethical business operation are summarized in the Code of Ethics. Familiarization and compliance with the document, and the monitoring of the changes are key requirements from all employees and agents.

President of the Board of Directors
Gábor Kolics

MESSAGE OF THE CHAIRMEN OF THE BANK'S ETHICS COMMITTEE

Dear reader,

It is the task and responsibility of the Ethics Committee to provide guidance concerning ethical conduct by way of its statements made in general and individual cases and its decisions facilitating the interpretation of rules. The Ethics Committee must take a stance in general and specific cases relating to the application of this Code of Ethics and make recommendations for the continued improvement of the Code of Ethics on the basis of its practical work and experiences. Every single member of the Ethics Committee is fully committed to the Bank's ethical operations.

Chairman of the Bank's Ethics Committee
prof. dr Milovan Stanišić