

## Annex 1

**ANTI-CORRUPTION POLICY OF OTP BANKA SRBIJA A.D. NOVI SAD****Introduction**

OTP banka Srbija a.d. Novi Sad (hereinafter: Bank) is committed to combatting corruption, and declared zero tolerance towards all forms of bribery and the gaining of unfair advantages.

The provisions of this Policy (hereinafter: Policy) have been formulated in accordance with applicable Serbian and international legislation and the Anti-Corruption Guidance of the Wolfsberg Group<sup>1</sup>.

The purpose of the Policy is to define the principles of the Bank's anti-corruption activity, to identify the areas particularly exposed to the risk of corruption, and to serve as a core document for the formulation of the regulatory documents required for the Bank's anti-corruption efforts and for the anti-corruption activity of the relevant staff members.

The principles and provisions of the Policy cover the Bank's entire organisation, spanning the full spectrum of its operation from the formulation of internal regulatory documents through the contracts to be concluded with partners to the actions of individual staff members, and are applicable to all of the Bank's activities.

The scope of the Policy covers all employees and contracted partners of the Bank as well as all other persons participating in the performance of their activities.

The provisions set out in the Policy are to be applied in conjunction with the provisions of the Bank's Code of Ethics and the Partners Code of Ethics.

**Principles***Prohibition on corruption*

In the course of and in connection with the Bank's activities, all staff members and all other contractual partners of the Bank are strictly prohibited from performing any act of corruption and from participating or being involved in corruption. A violation of the prohibition on corruption shall give rise to consequences under labour, civil and criminal law. The Bank stands up against corruption consistently and resolutely. In case of a violation of the provisions set out in the Policy by any person, the Bank shall take all steps necessary to avert potential negative consequences and to avoid similar events in the future. The Bank ensures the full enforcement of all Serbian, European Union and international anti-corruption regulations (when applicable), and requires all of its staff members and contractual partners to comply with such regulations.

Activities most exposed to the risk of corruption:

- management of gifts and business hospitality expenses;
- charity and sponsorship;
- liaising with contractual partners;
- undertaking contractual obligations;

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<sup>1</sup> "The Wolfsberg Group – Wolfsberg Anti-Bribery and Corruption (ABC) Compliance Programme Guidance (2017)"

- purchase, management and maintenance of investments and assets;
- hiring new staff;
- procurement, management and sale of real estate.

The list above is non-exhaustive, and the Bank shall devote further attention to any other activities that may carry corruption risk.

#### *Expected behaviour*

In order to enforce zero tolerance towards corruption, the Bank applies the following procedural and operational principles:

- in order to avoid the concentration of decision-making powers in one person's hands, the Bank strictly defines staff members' roles and responsibilities by adequately and officially specifying the responsibilities and clearly designating decision-making levels;
- the Bank formulates officially devised procedures for the performance of specific activities by individual staff members, and requires the application thereof;
- in accordance with and to the extent permitted by legal provisions, the Bank monitors the activity and transactions of individual staff members;
- in all cases where required by relevant policies, the Bank expects all staff members to make their decisions on the basis of pre-defined criteria.

#### *Regulation*

The Bank works out detailed rules and procedures for the efficient enforcement of the provisions set out in this Policy. The Bank adopts the anti-corruption rules and contractual provisions to implement and consistently adhere to the relevant procedures.

#### *Risk-based approach*

The Bank's potentially affected organisational units and activities represent different corruption risks. The Bank performs a risk-based assessment at predefined intervals to determine which organisational units and activities are in the current focus of the anti-corruption activity.

#### *Control by management*

The Bank's management bodies monitor the enforcement of the provisions of the Policy by receiving, on an annual basis, detailed information about the enforcement of the requirements set out in the Policy.

#### *Publicity and access*

The Policy is also publicly available at all times on Bank's website and, for the staff members of the Bank, on the DMS.

#### *Bookkeeping and records*

Bank complies with the applicable legal requirements, and exercise due care in keeping their books and maintaining their records. The Bank makes certain that its accounting records are based on true and reliable data at all times.

### *Contractual partners*

Since the relationship established or maintained with contractual partners also carries the risk of corruption, in the course of its cooperation with contractual partners – thus, in particular, in requesting offers and in the preparatory process of procurements – the Bank exercises due care and strives to minimise the risk of corruption. The Bank enters into a contractual relationship with its partners based on the assessment of professional quality, expertise and competitiveness, and does not apply any selection criteria that may entail the possibility of corruption. The Bank exercises special care in the case of contractual partners that are authorised to act for or on behalf of the Bank, as they may create substantial legal liability and reputational risks to the Bank.

### **Application of an anti-corruption clause**

In order to minimise the risk of corruption, group members shall endeavour to use an anti-corruption clause in the relevant agreements with contractors and in their governing documents, which shall include the following provisions, in line with the group-wide expectation:

1. **Relevant concepts** (banking group, public officials) and **Anti-Corruption Legislation**
2. A **clear and informed commitment** from the contractual partner (awareness of and compliance with OTP's Anti-Corruption Policy and relevant legislation, and efforts to enforce it with its business partners)
3. **Commitments**
  - **Information commitments**
    - a duty to notify if it becomes aware of a breach of the corruption rule(s)
    - provide information on the use of payments within 5 days of a request from a Group Member
  - **Negative undertakings**
    - it will not use the amount paid to it, or any other remuneration, for purposes that are contrary to Anti-Corruption Legislation
    - it will not make, or cause others to make, any direct or indirect offer or payment of any remuneration, money or other payment to any person exercising a public function for the purpose of influencing or causing to be influenced a decision of a body exercising a public function
4. **Termination Events – termination with immediate effect** (breach of anti-corruption commitments or making a false, untrue or misleading statement in this connection)

### *Acquisition policy*

With a view to its active acquisition policy, the Bank pays particular attention to detecting and eliminating corruption risks during the due diligence process upon the assessment of the institutions to be acquired.

#### *Public officials*

The Bank expects its staff and contractual partners to take particular care and act in accordance with the Policy in interacting with public officials for any reason.

#### *Gifts and offers*

Corruption may not necessarily be limited to the offering of financial gains or unfair advantages. Gifts and other offers also pose severe corruption risks. Since gifts are often incidental to facilitating business engagements, their total exclusion from the Bank's operation is unfeasible. In order to safeguard against corruption, it is indispensable to have clearly articulated rules in place to govern the provision and receipt of gifts.

The Bank considers unacceptable any attempt to influence the administrative process or the independence of decision-making in an improper manner through gifts or business hospitality offers, and accordingly, the Bank strictly prohibits the provision or receipt of such gifts or offers for the purpose of gaining undue advantage.

The Bank also extends this prohibition to the persons interacting with its staff or contractual partners to ensure that the persons concerned may not be influenced through their relatives, friends or any other acquaintances closely associated with them.

#### *Charity, sponsorship*

The Bank may only offer donations or sponsorships to beneficiaries in a transparent and traceable manner through its corporate social responsibility activity, thereby ensuring the elimination of potential risks of corruption. The Bank does not offer charitable support and sponsorships in order to gain preferential treatment, and considers such behaviour unacceptable.

#### *Selection procedure*

The Bank decides on new hires, and selects new contractual partners on the basis of a strictly regulated selection procedure. These standards also assist in the prevention of corruption. In the course of the selection procedure, the Bank shall only consider the personal abilities, skills, professional expertise and other relevant experience of the candidate for the given position.

#### *Management and sale of investments, acquisitions and assets*

The Bank prohibits non-transparent behaviour for the purposes of gaining or offering preferential treatment during the management or sale of investments or other procurements and assets.

#### *Procurement, management and sale of real estate*

The Bank applies transparent real estate management methods that eliminate any possibility of preferential treatment; accordingly, the Bank explicitly rejects any procedure that may entail the offering, donation or acquisition of real estate at more favourable conditions than those prevailing in the real estate market or that may be intended to give priority to the Bank's interests.

### *Training*

Since standing up against corruption is also a priority concern in business relations, the Bank exercises particular care to ensure that all of its staff and contractual partners are fully aware of the provisions of the Policy. To that end, the Bank provides free access to the Policy at all times, and expects all of its staff and contractual partners to familiarise themselves with the provisions thereof.

### *Controls*

The organisational unit/person performing the compliance function at the Bank monitors the enforcement of the Policy during the Bank's activities, as well as its compliance with the applicable legal regulations and any other requirements and best business practices. If the organisational unit/person performing the compliance function detects or becomes aware of any anomaly or irregularity, it shall initiate the review – and amendment, as appropriate – of the provision, and notifies the management bodies of the deficiency or irregularity detected.

### *Reporting*

The Bank's staff may report violations of the provisions set out in the Policy through the channels defined in the Code of Ethics and Partners Code of Ethics. All such notifications shall be investigated in accordance with the Bank's applicable regulatory document on reporting unethical conduct, of which a notice shall be posted on the Bank's website. Whistleblowers may not be subject to any discrimination or unfair treatment in relation to their report. Offences may also be reported anonymously.