

Anti-Bribery and Anti-Corruption Policy

Optima bank S.A.

TABLE OF CONTENTS

1. INTRODUCTION.....	3
2. PURPOSE	3
3. KEY CONCEPTS - DEFINITIONS	4
4. CORE PRINCIPLES OF THE POLICY	7
5. RULES OF IMPLEMENTATION	7
6. REPORTING OF UNLAWFUL ACTIVITIES AND POLICY BREACHES.....	8

1. Introduction

Corruption increases uncertainty concerning entrepreneurship and the cost of transactions. It limits international trade, it damages free competition, it reduces investments and, therefore, the development both within a geographical region and at the global level.

The issue of corruption has been of concern to the international community which, acknowledging its adverse effects on national economies, has enacted international agreements to combat the phenomenon.

More specifically, the United Nations and the Council of Europe, acknowledging that corruption is a broader threat to the rule of law, undermines sound administration, fair treatment and social justice, distorts competition, hampers economic growth and endangers the stability of democratic institutions and the moral foundations of society, aim at enhancing cooperation between their Member States, seeking common answers to combating phenomena of corruption, which are increasing at an alarming rate, and their interconnections with organised crime and money laundering.

On 31 October 2003, the United Nations General Assembly adopted a Convention against Corruption, which was signed by 140 Member States. Greece ratified and implements the Convention pursuant to Law 3666/2008.

The Council of the European Union issued Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector.

Bribery, as referred to Article 4 of Law 4557/2018 on the “Prevention and Suppression of Money Laundering and Terrorist Financing”, is one of the predicate offences constituting criminal activity.

The Anti-Bribery and Anti-Corruption Policy (hereinafter the “Policy”) sets out the core principles and rules governing the Group’s business activities in order to deter acts which constitute or could be linked to corruption and bribery and is based both on best international banking practices and on applicable legal obligations.

2. Purpose

The Board of Directors of Optima Bank, as the parent company of the Group, acknowledging the importance of combating corruption and bribery and the adverse effect that any involvement in bribery could have on the image and reputation of the Group, has established and implements this Policy.

More specifically, the Policy aims at the following:

- Ensure compliance with the applicable principles and provisions of Greek law as well as the principles of the ‘United Nations Convention against Corruption’ to combat bribery and corruption;
- define rules of conduct in regard to corruption issues, in accordance with the Group's principles and values;
- promote understanding of the definition of corruption/bribery and the forms in which it occurs;
- encouraging the confidential reporting of any incident or suspicion of corruption/bribery through the communication channels established;
- ensuring employee and associate vigilance to identify actions related to bribery and raising awareness as regards anti-bribery laws;
- safeguarding and protecting employees;
- protecting the Group's reputation.

This Policy operates in conjunction with the Code of Conduct & Ethics and must be taken into consideration in all Group activities and operations, including issues of outsourcing to third-party providers and incurring expenses and costs.

3. Key concepts - Definitions

Corruption

Corruption is normally understood as “the systematic violation of all moral and legal rules in the performance of an employee's or functionary's duties” or, in other words”, “abuse of public power for private gain”. Alternatively, one could argue that corruption cases are mainly those that concern the exploitation of the power entrusted to a person serving in the public sector for the purpose of personal gain, mainly encountered in the following forms:

- active or passive corruption in the public sector;
- breach of duty, when the employee aims to harm a citizen or the state or to obtain an unlawful gain for themselves or another;
- abuse of power (when the competent person used unlawful or extortionary means to obtain any public statement or exposes someone to prosecution or fails to prosecute a culpable person or caused their exemption from punishment).

Criminal offences such as threat, extortion, theft and bodily harm do not in themselves, constitute acts of corruption in the above sense, but are standalone crimes which may, on a case-by-case basis, be concurrent with such acts.

Bribery

Definitions of Bribery

Bribery is the most common and serious form of corrupt conduct, both due to its frequency and in terms of economic and social impact and is distinguished into active bribery (or simply bribery) and passive bribery (bribe – taking). **This may concern either the public or the private sector. “Active bribery”** means giving, offering or promising an undue advantage of any kind, whether directly or through a third party, to any person, in order that that person or any other person should be encouraged to perform or refrain from performing any action or activity relating to the exercise or in breach of their duties, so as to obtain any kind of commercial or personal benefit.

The offence may be committed in two manners:

- either by promising a person (recipient) advantages of any kind;
- or by providing a recipient advantages of any kind.

The person offering the bribe must know and wish to promise or provide advantages to a recipient and may commit the offence either themselves personally or through the mediation of a third party. The promise or provision of advantages to a recipient must be linked to a future or completed act performed by the latter that falls within their duties and is contrary to them. The advantages may be intended either for the recipient themselves or a third party.

“Passive bribery” means seeking or receiving an undue advantage of any kind (object or benefit), whether directly or indirectly, from any person, in order for one to perform or refrain from performing any action or activity relating to the exercise or in breach of one's duties, so as to obtain any kind of commercial or personal benefit.

The offence of passive bribery is committed when a person (recipient), whether for themselves or for another person:

- demands advantages of any kind; or
- receives advantages of any kind into their actual possession; or
- accepts, in exchange for committing the offence, a promise concerning the offer of such advantages in the future.

The recipient must know and wish to breach their duties, as set out in law or arising from the nature of their position or service, and must be able to commit the offence either themselves personally or through the mediation of a third party. The request for or receipt of or acceptance of a promise of advantages in the future must be linked to a future or completed act performed by the recipient that falls within their duties and is contrary to them. The advantages may be intended either for the recipient themselves or a third party.

Forms of Bribery

The most common forms of bribery identified in the international bibliography are as follows:

Facilitation payments: Benefits, whether monetary or other, which usually take the form of small, informal payments that are made to expedite an administrative process or have a functionary complete or by pass a formal step.

Kickbacks: Kickbacks are a form of bribery paid to a functionary who can influence an organisation, in exchange for the person offering the bribe securing some type of benefit.

Kickbacks are most commonly paid by persons who aim at securing contracts which are profitable or contain beneficial terms, credit facilitations, etc. In exchange for their assistance, part of the benefit gained from the contract is paid (or “kicked back”) to the person who made the decision within the organisation in question. The organisation is not aware of the payment made to its functionary.

Secret/Hidden Commissions or Funds: This is a form of bribery where a functionary (intermediary) requests or accepts a benefit in order to influence a decision or conclude a contract/agreement or transaction benefiting the person offering the bribe, of which one party to the agreement is usually unaware. This benefit may concern securing or ensuring the inclusion of beneficial terms in a contract/agreement or even deterring the conclusion of such a contract/agreement with a competitor.

This benefit is usually paid by the intermediaries in order to “get the job”.

Influence peddling: Also known as “trading in influence” or “trafficking in influence”. Influence peddling occurs when one promises or provides, receives or seeks benefits in exchange for exerting their influence on a political person, an employee of the public sector in the broad sense, or a judicial functionary in order to obtain an undue advantage or favor for themselves or for another, so that such persons carry out an act or omission which is part of their duties. This term is also used in cases where the person carrying out the above acts is the person soliciting officers to exert their influence in exchange for an undue advantage or favor.

Electoral or voter bribery: In certain countries it is a crime to make a donation for the purpose of promoting a candidate or a political party, where the intention is to influence the result of an election and thereby secure or retain a contract with the government.

Persons who must be treated with particular attention

Transactions and, more broadly, collaborations with (natural and legal) persons falling within or related to the following cases must be subject to enhanced due diligence in complying with the principles of this Policy.

Public Official

In accordance with the United Nations Convention against Corruption (Law 3666/2008).

“Public official” means:

- (i) any person holding a legislative, executive, administrative or judicial office of a State Party, whether appointed or elected, whether permanent or temporary, whether paid or unpaid, irrespective of that person’s seniority;
- (ii) any other person who performs a public function, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the State Party and as applied in the pertinent area of law of that State Party;

- (iii) any other person defined as a “public official” in the domestic law of a State Party.

However, for the purpose of this Policy, “public official” may refer to any person who performs a public function or provides a public service as defined in the domestic law of the State Party and as applied in the pertinent area of law of that State Party.

Politically Exposed Persons

In accordance with Article 3(9) of Law 4557/2018, “politically exposed persons” are defined as natural persons who are or who have been entrusted with prominent public functions, such as:

- a) heads of State, heads of government, ministers, alternate and deputy ministers;
- b) members of parliament or of similar legislative bodies;
- c) members of administrative bodies of political parties;
- d) members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
- e) members of courts of auditors;
- f) members of the boards of central banks;
- g) ambassadors and chargés d'affaires;
- h) high-ranking officers in the armed forces;
- i) members of the administrative, management or supervisory bodies of State-owned enterprises;
- (j) directors, deputy directors and members of the board or equivalent function of an international organisation.

No public function referred to above shall be understood as covering middle-ranking or more junior officials.

However, this definition also applies to persons who, in the past (for a maximum of 3 years) possessed one of the above positions.

Family members

The following are defined as “family members” of the above persons referred to in the section entitled “Politically Exposed Persons”:

- a) the spouse, or a person considered to be equivalent to a spouse, in accordance with national law, such as those with whom a civil partnership agreement has been concluded in accordance with Greek law;
- b) children and their spouses, or persons considered to be equivalent to a spouse in accordance with national law, as in force from time to time;
- c) parents.

Close associates:

The following are defined as “close associates” of the above persons referred to in the section entitled “Politically Exposed Persons”:

- a) natural persons who are known to have joint beneficial ownership of legal entities or legal arrangements, or any other close business relations, with such persons;
- b) natural persons who have sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the de facto benefit of the above persons.

4. Core Principles of the Policy

All Group staff members must refrain from participating in or otherwise becoming involved in any form of corruption.

More specifically, Group staff members are prohibited from:

- offering or proposing any form of bribery, or authorising similar acts;
- seeking or accepting bribery in order to influence a decision, gain unauthorised access to confidential data or information, or performing or refraining from performing an act that is or is not provided for in the internal procedures;
- using another party in order to carry out any of the above;
- using suppliers or receiving services from third parties who do not apply high standards and procedures against bribery and corruption;
- facilitating the movement of funds where there are reasonable suspicions that these are proceeds originating from bribery or corruption.

The Group applies suitable due diligence procedures with regard to its customers, affiliated representatives, parties with whom it cooperates, suppliers (including Outsourcers) so as to minimise the risk of their involvement with acts of corruption.

The Group prohibits any form of retaliatory/negative conduct against an employee who refused to participate in the above offences.

This Policy sets a standard to which all staff members are obligated to conform.

Failure to conform to this standard, whether or not voluntary, may lead to disciplinary action of (including but not limited to) those involved.

This Policy is not part of any employment contract entered into with staff and may be amended at any time.

5. Rules of Implementation

Donations / Sponsorships

In the framework of the Group's social responsibility actions, support may be provided to charitable organisations and actions, as well as sponsorships of athletic, cultural or educational events/actions. Such contributions are made in accordance with the principles and values of the Group's Code of Ethics and Corporate Responsibility and its Sustainable Development strategy.

It is expressly prohibited to make donations, offer gifts, contributions, any other financial support or other type of facilitation to political parties or political organisations or their representatives or political persons or candidates for public office.

In accordance with Article 6 of Law 4374/2016 and, in the interest of transparency, information on all payments made during the fiscal year in question due to donation, sponsorship, grant or on other gratuitous basis to natural and/or legal persons are published on an annual and consolidated basis.

Procurements or conduct of tender processes for the assignment of projects - Relations with external associates

The procurement of materials and services, the conduct of tender processes for the assignment of projects, the outsourcing of activities and the establishment of relations with external associates must take place in strict compliance with the procedures approved by the competent Group bodies.

Counterparties in purchases or contracts must have an Anti-Corruption Policy or hold relevant certifications (ISO 37001 or equivalent certification). Otherwise, they must be informed of this Policy and commit to adopting it.

The Group does not wish to cooperate with persons convicted pursuant to an irrevocable judgment for bribery, as defined in Article 3 of the Council Act of 26 May 1997 and in Article 2(1) of Council Framework Decision 2003/568/JHA.

Group expenditure for reception - hospitality costs

Exchanging gifts, meals and entertainment with customers, suppliers and associates is, generally permitted as a business practice. However, such exchanges must take place on an arm's length basis. Excessive or luxurious gifts, meals or entertainment which could create the impression of undue exercise of influence or which could entail or suggest the undertaking of any obligation must be avoided.

Cases which concern customers falling under the "Persons who must be treated with particular attention" category must be treated with particular attention.

Accepting gifts from Group customers or associates

Persons directly or indirectly involved in the provision of services to customers or the receipt of services from associates are not permitted to accept personal gifts in the form of money or items of value such as:

- jewellery, artworks and similar items of high value;
- items equivalent to monetary gifts (e.g., prepaid cards, gift cards, traveller cheques, etc.);
- trips (e.g., first-class flights, cruises) or accommodation (e.g., five-star hotel stays);
- entertainment or meals which could be considered luxurious or significant in terms of cost (e.g., tickets to exclusive sports events);
- personal gifts (e.g., clothing, electronic items, furniture).

Low-value gifts are exempt from this restriction.

6. Reporting of Unlawful Activities and Policy Breaches

The Group has a Whistleblowing Policy which defines the framework for submitting reports and complaints, whether or not anonymously.

In all cases, the Core Principles of the Whistleblowing Policy apply, including but not limited to the following:

- The Group encourages the submission of reports and complaints, whether or not anonymously, concerning any serious irregularity, omission or criminal act of which any employee, irrespective of grade in the hierarchy, and any third party has become aware, using any channel of communication they deem appropriate.
- The Group is committed to preserving the anonymity of the reporting person and other parties involved, and to refraining from actions that could result in disclosing their identities.
- Reports shall be examined with due diligence, impartiality and objectivity and, where the acts reported are confirmed, the Group must take all suitable remediation measures. Anonymous reports are assessed depending on the quality of their documentation and the possibility offered to identify the irregular action reported.
- Persons who submitted a report in good faith shall be protected from any acts of retaliation, discrimination or other forms of unfair treatment, irrespective of the outcome of the inquiry into the report.