

**GROUP POLICY: ANTI-BRIBERY & CORRUPTION****1. PURPOSE AND SCOPE OF POLICY**

The Bank of Cyprus Group (“the Group”) is committed to conducting its business with fairness, honesty, and transparency. This commitment must be reflected in every aspect of our business affairs. Senior Management is dedicated to ensuring adherence to legal and ethical standards. It is essential that the actions and conduct of Group Directors, Managers, employees, and others act on the Group’s behalf maintain these standards.

To that end, all members of the Board, Senior Management, group personnel, employees, agents, consultants, contractors, suppliers, and any other associates involved in the Group’s business activities must be familiar with and comply with this Anti-Bribery and Corruption Policy (the Policy).

Bribery and other forms of corruption are criminal offenses in most countries. Acts of bribery expose the Group and its employees to the risk of prosecution, fines, and imprisonment, as well as endangering the Group’s reputation. Business relationships rely on trust, and bribery and corruption compromise that trust. Goods and services are not procured in a clear, ethical, or transparent way when bribery is involved.

For this reason, the Group and its employees shall never accept or pay bribes, including facilitation payments. They shall not make, offer, or promise to make, or authorize the payment or giving of any bribe, rebate, payoff, influence payment, facilitation payment, kickback, or other unlawful payment or gift of money or anything of value prohibited under any applicable law or regulation.

The Group values its reputation for ethical behavior, financial integrity, and reliability. It recognizes that beyond the commission of any crime, any involvement in bribery will also reflect adversely on its image and reputation. Even the suggestion of corruption may damage the Group’s reputation and bring the personal integrity of individuals into question.

The Board of Directors applies a “zero tolerance” approach to acts of bribery and corruption by any of our employees or business partners. The Group’s culture and behavior promote conducting business with integrity, encouraging the right behavior, discouraging the wrong behavior, and protecting those who report wrongdoing.

Any breach of this Policy will be regarded as a serious offense by the Group and will result in disciplinary action. The Group has procedures in place to take disciplinary action against personnel who violate the Policy. Violations could also result in the relevant person being convicted of a criminal offense and being liable to a fine and/or imprisonment, depending on the relevant jurisdiction. Therefore, it is extremely important to abide by this Policy.

The Group encourages all employees to report any suspicious activity that may violate this, Policy. A confidential and discreet way to report any violations or suspicious activity is provided in the Group Whistleblowing Policy.

All entities of the Group must, at a minimum, meet the requirements of this Policy. In any country where the requirements of applicable legislation, directives, or practices establish a higher standard, the corresponding entities must meet those standards.

Senior Management and Board Members file an annual declaration confirming their compliance with the Anti-Bribery and Corruption Group Policy.

## 2. ABBREVIATIONS

Within this document, the following abbreviations are used:

Abbreviation	Definition
CEO	Chief Executive Officer
CL	Compliance Liaison
COI	Conflict of Interest
CRAM	Compliance Risk Assessment Methodology
MiFID	Markets in Financial Instruments Directive
PEPs	Politically Exposed Persons
RCSA	Risk and Control Self -Assessment
SCO	Subsidiary Compliance Officer

## 3. DEFINITION OF TERMS

For the purposes of this policy, the terms listed below have the following meaning:

### 1. Bribery

This refers to the offering, giving, soliciting, or receiving of any item of value, consideration, or undue advantage (e.g., gift, money, loan, fee, reward, privilege, discounts, travel, etc.) as a means of inducing or influencing the actions of an individual holding a public or legal duty. Such actions result in matters being handled in a manner that best suits the private interests of the person offering the bribe, rather than being handled objectively.

### 2. Being bribed

It is an offense to request, agree to receive, or accept a financial or other advantage with the intention that a relevant function or activity is performed improperly, constituting improper performance.

### 3. Corruption

The abuse of entrusted power for private gain or acting with an improper purpose personally or influencing another person by making a false/misleading statement, or withholding, concealing, altering, or destroying a document or other information (or by any other means).

The United Nations Convention against Corruption (UNCAC) identifies specific acts that should be criminalized by member states as being acts of corruption. These acts include:

- **Bribery:** Offering, giving, receiving, or soliciting something of value to influence the actions of an official.
- **Embezzlement:** Misappropriation or other diversion of property by a public official.
- **Trading in influence:** Using one's influence to obtain an undue advantage.
- **Abuse of functions:** Performing or failing to perform an act in violation of laws to obtain an undue advantage.
- **Illicit enrichment:** Significant increase in the assets of a public official that cannot be reasonably explained.

#### 4. Facilitation Payments

Facilitation payments are payments made to officials with the intention of expediting an administrative process or to help obtain approvals for services actions which would be otherwise prohibited.

#### 5. Improper Performance

When a person a) acts contrary to good faith, for example breach of legal, fiduciary, or contractual requirements (e.g., favour one bidder over another in a procurement decision)-or b) take advantage of a position of trust (e.g., divulge confidential information) or acts in a dishonest manner.

#### 4. GENERAL PRINCIPLES

The following rules and major principles are particularly relevant to Bribery and Corruption issues and shall always be adhered by the Group (Bank of Cyprus Public Company Limited and its subsidiaries):

**Principle 1:** Conduct our business with integrity and honesty.

**Principle 2:** Conduct our business with due skill, care, and diligence.

**Principle 3:** Take reasonable care to organize and control our affairs responsibly and effectively, with adequate risk management systems.

The Group is committed to prohibiting the offering, promising, giving, accepting, or soliciting of any advantage (monetary or otherwise) as an inducement for an action that is illegal, breaches trust, or involves performing functions or activities improperly, constituting improper performance. This includes rewarding individuals for already performing their activities improperly.

This Policy complements the “Group Fraud Risk Management Policy,” which is maintained by the Operational Risk Department.

In this framework the following principles shall be applied:

##### 1. Senior Management

The Group Senior Management is committed to maintain a culture in which Bribery is never acceptable and intends that its zero tolerance Policy is clearly communicated to all employees and all relevant third parties. Senior Management needs to engender a truly transparent and ethical compliance culture that encourages accountability and detects and discourages any form of Bribery.

##### 2. Charitable Contributions and Sponsorships:

Sponsorships and Charitable contributions shall be according to the Group’s Policy for Donations, Sponsorships and Partnerships Policy. Charitable Contributions and Sponsorships are not to be used as cover for Bribery.

##### 3. Political Activities & Contributions

Funds, property, staff or facilities of the Group must not be used to provide support for, or contribute to, any political organization or political candidate.

##### 4. PEPs

All prospective relationships and transactions with PEPs must be approved by Senior Management as per Group Customer Acceptance policy.

##### 5. Fees for Business Services

Fees for business services (e.g., business associates and agents, business introducers etc.), forming part of an official fee structure, is not considered a bribe. Facilitation Payments to third parties under certain circumstances when the purpose of the payment is to induce officials to perform routine functions, they

are otherwise obligated to perform can be considered bribes. In relation to MiFID, the Group currently prohibits the payment and/or acceptance and retaining of fees, commissions or any monetary or non-monetary benefits to or from persons other than the client unless they are designed to enhance the quality of service to the client, do not impair compliance with Group's duty to act honestly, fairly and professionally, in accordance with the best interests of the client and the payment or benefit is disclosed to the client.

**6. Public Officials**

Government and/or public/local authority official interactions require heightened care, diligence and transparency and a need for appropriate disclosures and prior approvals.

**7. Payments & Financial Controls**

Group's expenses and payments procedures and authorization processes require a clear understanding of why payments are made and to whom. We have similar expectations from our third parties. All books and records must be kept and falsifying records to conceal a bribe is a criminal offense.

**8. Human Resources**

All human resources practices including recruitment, training, performance evaluation and recognition reflect the Group's commitment to this Policy. Personnel will not suffer retaliation, discrimination, or disciplinary action for (a) refusing to participate in any activity that they reasonably believe that it may entail a risk of Bribery and (b) raising concerns or reports for actual or suspected Bribery violation.

**9. New Business /Mergers & Acquisitions**

A new business/expansion/acquisition shall incorporate extensive Anti-Bribery and Corruption considerations.

**10. Code of Conduct & Code of Ethics**

The codes encourage employee loyalty, accountability, honesty, integrity, good faith, transparency and confidentiality.

**11. Personal Conflict of Interest**

Any personal Conflict of Interest or perceived Conflicts shall be properly disclosed and managed as per relevant Policy.

**12. Remuneration**

Performance bonuses, performance targets and other incentivizing elements of remuneration are reviewed periodically to verify that there are reasonable safeguards in place to prevent them from encouraging Bribery and avoid non-compliance with MiFID rules (e.g. setting sale targets that may incentivize staff members to recommend a particular option or financial instrument to clients when something else might suit them better or putting staff under pressure to meet branch targets, otherwise they will be penalized through their annual appraisal or career progression is prohibited).

**13. Gifts & Hospitality**

Payments and hospitality promised or offered to/from a customer, vendor, business partners and associates or any third parties for any projects are not generally allowed unless they fall within reasonable bounds of value and occurrence and are recorded in the gift registry maintained through the Compliance management System (OneSumX) (reference in the Code of Conduct) and cannot be perceived to affect the outcome of a business transaction. Paying excessive travel and entertainment expenses on behalf of the Group to obtain and/or maintain business may be interpreted as Bribery. The following questions can assist in accepting/rejecting a gift. The recipient of the gift and/or hospitality shall examine whether the gift and/or hospitality:

- a. It is reasonable, in good faith and proportionate.
- b. It relates to legitimate business purpose or activity.
- c. The level of influence/seniority of the person receiving the gift/hospitality on business decisions.
- d. Could be construed as lobbying (if government officials are present/involved).
- e. Is in compliance with local laws and internal policies.
- f. Does not create nor it appears to be a COI.
- g. Does not create reputational risk.
- h. It is accurately recorded.
- i. Appropriate approval by higher authority or Board approval has been obtained.

#### 14. Processes & Internal Controls

Steps are taken to assist in the assessment, prevention, detection, and management of Bribery risk. These include:

- a. Apply thresholds for approval levels and implement policies and processes.
- b. Raise awareness/provide training.
- c. Perform annual ad/hoc risk assessments.
- d. Analyse data and emerging corruption trends, perform surveys/questionnaires and raise awareness for the proactive management of anti-bribery and corruption fraud.
- e. Follow disciplinary process for any breach of the provisions of this Policy and the Code of Conduct and Code of Ethics.
- f. Apply fraud prevention and detection tools/systems and Key fraud indicators.
- g. Enhanced controls using advanced analytics.
- h. No hospitality shall be accepted at least a week prior to an important decision.
- i. If no approval is received based on the below and a gift is rejected, it shall be returned to the gift giver.
- j. Gifts and hospitality received or given shall be approved as per the table below:

Gift Value	Approval	Record keeping
€0-€50	No approval necessary	CL/SCO records the gift in OneSumX.
€51-€99	Higher Authority (Immediately following Level)	CL/SCO records the gift in OneSumX. CL/SCO in cooperation with the Compliance Division assesses whether there is a potential conflict of interest and if yes, he/she records it in OneSumX both as a gift and as a conflict along with mitigating controls for the management of any potential conflict as per the Conflicts of Interest Policy. Gifts that give rise to an actual conflict are not accepted.
€100+	Higher Authority (Immediately following Level) AND the Director responsible.	CL/SCO records the gift in OneSumX. CL/SCO in cooperation with Compliance Division assesses whether there is a potential conflict of interest and if yes,

Gift Value	Approval	Record keeping
	Directors (N-1 level), no 2nd level of approval applies. Approval from the CEO for their own gifts should be obtained. The CEO shall obtain approval from the Board Chairman for his/her gifts.	he/she records it in OneSumX both as a gift and as a conflict along with mitigating controls for the management of any potential conflict. Gifts that give rise to an actual conflict are not accepted.
	Board members shall obtain approval from the Board	Company secretary records the gift in OneSumX. Company secretary in cooperation with Compliance Division assesses whether there is a potential conflict of interest and if yes, he/she records it in OneSumX both as a gift and as a conflict along with mitigating controls for the management of any potential conflict as per the Conflicts of Interest Policy. Gifts that give rise to an actual conflict are not accepted.

The above threshold limits will be based either on a single basis for or where applicable on an accumulated basis from/to a single client/ associate on an annual basis.

For example, if a customer gives a member of staff two gifts of €50 in a 12-month period, the following will hold:

In the case of the first gift, the gift is accepted and recorded in OneSumX. No approval is required.

In the case of the second gift the cumulative gift amount is €100. As the cumulative gift amount is €100, the second gift shall be accepted only when there is an approval of two levels. i.e., the immediate supervisor and the Director.

Note that rejected gifts must also be recorded.

The existence of a potential conflict of interest arising if the gift is accepted is assessed and this is recorded in OneSumX. i.e., there will be a record in OneSumX of both the gift and the conflict.

**15. Further Processes & Internal Controls**

**a. Risk Assessment**

The Group assesses the nature and extent of its exposure to potential external and internal risks of Bribery and Corruption by persons associated with it through RCSAs, CRAM workshops, fraud risk assessments, internal / external audit reviews, investigation of customer complaints, investigations for requests by competent authorities, incidents, KRI breaches etc. The risk assessment shall be fully documented and updated on an ad hoc and periodic basis to reflect the risks and risk appetite of the Group. Devoting skilled

resources and expertise to this task is essential. The assessment may form part of a general risk assessment or specialized only in relation to Bribery and Corruption with Senior Management overseeing it.

**b. Due Diligence**

- I. The Group applies due diligence procedures by taking a proportionate and risk-based approach, respectively for people who perform or will perform services on their behalf.
- II. The Group will maintain adequate procedures to:
- III. Carry out due diligence checks before appointing new employees or agents.
- IV. Sourcing procurement and third party and vendor risk management processes for the purchase of goods and services aiming to maximize the value of expenditure on products and services, always within a fair, lawful, transparent and ethical framework.
- V. Scrutinize expense claims.
- VI. Ensure that any gifts/corporate hospitality given or accepted is proportionate and reasonable.
- VII. Avoid dealing with contractors and suppliers known or reasonably suspected to be paying bribes or being involved in corrupt activities. Additionally, the Group shall have processes in place to obtain assurance from business associates prior to the commencement of their relationship that they have in place Anti-Bribery controls which manage the relevant Bribery risk.
- VIII. Perform strict due diligence on associated persons/third parties in order to (a) identify the associated person and validate their credentials and background and (b) confirm the suitability of their specific skills and experience for the role they will be performing.
- IX. Ensure that contracts of employment reflect the provisions of this Policy and make clear that disciplinary proceedings, including proceedings leading to dismissal for gross misconduct, will result if an employee is engaged to Bribery or Corruption.

The Bank shall develop, establish, implement and maintain processes. More analytically:

- a. As part of the human resources process, all roles by staff apply due diligence procedures as required prior to any hiring, transfer and promotion.
- b. Upon hiring, under the employment contract, it is clearly outlined that the Bank's employees are required to comply with the organization's compliance obligations, policies, processes and procedures while receiving a copy of the Compliance Policy and compliance training, during a reasonable period following their onboarding.
- c. In the instance of the breach of compliance obligations, policies, processes and procedures, the applicable disciplinary procedure is followed as per applicable human resource process.
- d. Key performance indicators have been established in the annual appraisals for all employees which review on a bi-annual basis their performance targets, performance bonuses and other incentives, to ensure that appropriate measures are in place to prevent breaching compliance.

**c. Communication**

- I. The Group establishes effective internal and external communication in relation to Bribery and Corruption.
- II. The Group conducts business in a transparent, accountable, and fair manner and these principles shall be reflected via all relevant communication channels (external e.g., website, agreements/contracts etc. and internal e.g., codes, procedures etc.)
- III. A clear message is given from the Board of Directors and Senior Management that BOC and its subsidiaries operate a Policy of zero tolerance to Bribery and Corruption.

- IV. The Group ensures that this Policy and the procedures for preventing Bribery and Corruption are communicated effectively to staff and to those performing services (e.g., outsourcing contracts shall include clauses on anti-Bribery issues) for the Group.
- V. The prevention, detection and reporting of Bribery is a personal responsibility for each and every employee of the Group and this is stated in the terms of employment and other suitable channels of communication.
- VI. Non-financial statements of the Group include information relating to environmental, social and employee matters, respect for human rights, anti-bribery, and corruption issues.

**d. Accounting & Record Keeping**

- I. The Group maintains available for inspection accurate books and records that properly and fairly document all financial transactions.
- II. The accounting and recordkeeping practices are regularly reviewed to provide assurance on their design and effectiveness.
- III. All gifts/hospitality are recorded appropriately in the Compliance Management System (OneSumX) by CLs/SCOs. Gifts to the Board members are recorded by the Company Secretary.

**e. Training**

- I. Staff receive adequate training on Anti-Bribery and Corruption issues, policies, and procedures These include:
- II. Providing good quality, standard training on Anti-Bribery and Corruption and Whistleblowing for all staff annually.
- III. Providing additional Anti-Bribery and Corruption training for staff in high-risk positions.
- IV. Providing Anti-Bribery training during induction courses.

**f. Reporting**

- I. The Group sets out procedures to encourage the reporting of any suspicion of Bribery and Corruption, as well as ensuring that appropriate procedures are in place to process sensitive information, investigate accordingly and implement any control enhancements.
- II. Any request for an improper payment or any indication that a person might be making corrupt payments or that a person has an intention or intends to violate this Policy, shall be reported immediately. Reporting by personnel shall be made through their manager or directly to Internal Audit or Compliance. If a person suspects fraud and wants to report it anonymously, this can be done through the Whistleblowing Line which is available to all members of staff.
- III. If it comes to anybody's attention/knowledge that anyone is involved in Bribery, this must be reported immediately. It doesn't matter whether the person involved is a colleague, customer, or supplier.
- IV. Non-compliance issues will be assessed accordingly, and relevant measures/processes shall be in place to consider the regulatory and reputational impact as well as also the impact on the capital adequacy and liquidity of the Group.

**g. Monitoring and review**

The Group monitors, and reviews procedures designed to prevent Bribery & Corruption and makes improvements where necessary.



## 5. GOVERNANCE

### 5.1 Roles and Responsibilities

For the purpose of this Policy, the following major Roles & Responsibilities have been identified:

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Approves this policy.</li> <li>Bears the ultimate responsibility for the effective implementation of this Policy and setting the right tone from the top.</li> </ul>
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Reviews and notes of the policy and may provide some recommendations, if any, to the Board which bears responsibility for approval.</li> <li>Make sure that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the policy.</li> <li>Monitors the effective implementation of the Policy via the Control Functions.</li> </ul>
<b>ExCo</b>	<ul style="list-style-type: none"> <li>Reviews the Policy prior to submission to the AC.</li> <li>Ensures that it is effectively embedded throughout the Group's operations.</li> </ul>
<b>Chief Executive Officer</b>	Provides approval for the exemptions to the policy
<b>Deputy Chief Executive Officer</b>	Provides approval for the exemptions to the policy
<b>Compliance Division</b>	<ul style="list-style-type: none"> <li>Overall responsibility for the drafting and enforcing the policy.</li> <li>Prepares and updates relevant procedures/circulars as required.</li> <li>Organizes and conducts relevant training for all staff.</li> <li>Carries out monitoring reviews to assess the effective implementation of the Policy and recommends corrective action where required.</li> </ul>
<b>Risk Management Division</b>	Reviews and assesses the compliance risks addressed in the policy, ensuring that the risks undertaken are within the Bank's risk appetite.
<b>Internal Audit Division</b>	<ul style="list-style-type: none"> <li>Responsible for providing independent and objective assurance to the BoD, through the AC, and to management, by assessing the effectiveness of governance, risk management, and control processes related to this policy.</li> <li>Inform AC of its findings and relevant recommendations.</li> </ul>
<b>Line Directors</b>	<p>The Line Directors have the responsibility and accountability for adherence to this Policy within their Divisions (as first Line of Defence).</p> <p>Local Managers or Regional Managers are responsible to inform their LCOs as to the gifts relating to their area.</p>
<b>Legal Services</b>	Legal is responsible for providing general advice to the Group on relevant legislation and for providing support, guidance, and advice in relation to legal issues.
<b>Organization Department</b>	The Organization Department is responsible for communicating this Policy to all employees and ensuring that all the key principles of this Policy are fully incorporated in all relevant procedures.



<b>Procurement Department</b>	<ul style="list-style-type: none"> <li>• Develop and maintain sourcing procurement and vendor management policies and procedures ensuring proper management of Anti-Bribery and Corruption risks.</li> <li>• Making the principles of this Policy available to business partners and associated persons.</li> <li>• Incorporate in the outsourcing contracts terms on Anti-Bribery and Corruption.</li> <li>• Promote due diligence checks before appointing new agents/outsourcing partners/vendors.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• Incorporate Anti-Bribery and Corruption provisions to the Code of Conduct and Code of Ethics.</li> <li>• Perform due diligence checks before appointing new employees.</li> <li>• Design and implement disciplinary procedures.</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>• All personnel of the Group are responsible for complying with this Policy and its related procedures. If any employee becomes aware or suspects that an activity or conduct which has taken place could be considered a bribe or corrupt, then the/she has a duty to report it immediately. Any such incidents shall be reported to their direct Supervisor/ Line Manager or via the Whistleblowing Line.</li> </ul>

## 5.2 Supporting Documentation

All relevant written communication, acknowledgements, declarations, and any other material confirming compliance with the Anti-Bribery and Corruption Policy are properly maintained and archived.

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## 6. EXCEPTION APPROVAL PROCESS

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In cases where there is a request for deviation from this policy, which:

1. is fully justified.
  2. does not violate the legal/regulatory framework, or constitutes a significant moral lapse, nor does it constitute a significant reputational risk for the Bank and
  3. has the approval of the Chief Compliance Officer
- then this exception can be allowed with the agreement of the CEO or Deputy CEO of the Bank. The Audit Committee to be notified accordingly.

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## 7. IMPLEMENTATION PROCEDURES (KEY PROCESSES)

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Gifts over €50 are approved by the higher authority and gifts over €100 are approved by two level higher authorities. All gifts whether approved or rejected are recorded in the gift's registry. Gifts to Directors (N-1) level are approved only by the CEO.

All gifts are assessed as to whether they give rise to conflicts of interest and if they do, they are rejected. If a potential conflict of interest arises this is recorded in the conflicts of interest registry, together with the controls to be implemented to minimise the conflict.