

POLICY ON THE MANAGEMENT OF CONFLICT OF INTEREST SITUATIONS AND PREVENTION OF CORRUPTION

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TERMS AND ABBREVIATIONS

Official — A member of the Council or the Board or a person performing basic functions at the Bank (in accordance with the “Regulation on Organisational Structure of BluOr Bank AS”).

Bank — BluOr Bank AS.

CCD — Compliance Control Department, except the Methodology Department.

Employee — An individual who is in legal employment relationship with the Bank on the basis of an employment contract or other legal basis, with the exception of members of the Board and members of the Council.

Financial Transaction — The Bank’ economic transactions or any procurement of goods or services for the purposes of the Bank.

Financial Service — Financial services referred to in Section 1, Paragraph one, Clause 4 of the Credit Institution Law:

- a) Attracting deposits and other repayable funds;
- b) Lending;
 - b1) Financial lease;
- c) Payment services;
- d) Release and servicing of non-cash means related to the provision of payment services;
- e) Trading with currency or financial instruments on behalf on the Bank or Clients;
- f) Trust operations;
- g) Provision of investment services and non-core investment services;
- h) Issue of guarantees and other instruments of liability which impose a liability against the creditor for the third party's debt;
- i) Safekeeping of valuable goods;
- k) Providing advice to Clients in financial matters;
- m) Providing information related to the settlement of Client debt obligations;
- n) Other matters similar by their nature to the above mentioned financial services.

FCMC — Financial and Capital Market Commission.

Non-core Investment Services — Non-core investment services as defined in the Financial Instruments Market Law.

Investment Services — Investment services as defined in the Financial Instruments Market Law.

Conflict of Interest Situation — A situation in which:

- 1) An Employee/Official in performing a Financial Service, carrying out a Financial Transaction or any other transaction on behalf of the Bank, in taking decisions or participating in the decision-taking within the scope of his/her duties or performing other activities related to his/her position (for example, examining applications submitted to the Bank, complaints and other similar documents), has a personal direct or indirect material or non-material interest which affects or is likely to affect the interests of the Employee/Official, hi'/her Relative (including their spouses' Relatives) or counterparties, and affects or may affect the interests of the Bank;
- 2) A Related Party has a direct or indirect material or non-material interest affecting the interests of that person's Relative (including the spouse's Relatives) or interest of counterparties.

Client — An individual or a legal entity, or an association of such persons to whom the Bank provides Financial Services.

Corruption — Unfair actions by Employees or Officials, or abuse of entrusted powers or obligations for gaining private benefit. Corruption includes, but is not limited to bribery (any form of material benefit, including offering, claiming or accept financial or other benefits granted) to affect any person; fraudulent transactions; diversion of funds for other purposes; incorrect forms of business practice that adversely affect the reputation of the Bank and public trust.

Council — The Bank's Council.

Policy — Policy on the Management of Conflict of Interest Situations and the Prevention of Corruption.

Relatives — Employee's spouse, mother, father, child, grandchild, sister, brother, half-sister, half-brother or other kind relationship with persons living in the same household.

Related Party — Related parties are identified according to the Bank's "Procedure for the Identification of the Bank's Related Parties":

- 1) Bank's shareholders with a qualifying participation in the Bank.
- 2) Members of the Council;
- 3) Members of the Board;
- 4) Head of the Internal Audit Service;
- 5) Chief Risk Officer;
- 6) Chief Compliance Officer (CCO) (i.e. the person responsible for monitoring the compliance of operation);
- 7) Spouse, parents and children of the persons referred to in paragraphs 1 to 6 (including shareholders — individuals);
- 8) Commercial companies in which the persons referred to in paragraphs 1 to 7 have a qualifying participation.

Board — The Bank's Board.

1. GENERAL PROVISIONS

- 1.1. The aim of the Policy on the Management of Conflict of Interest Situations and the Prevention of Corruption is to:
 - 1.1.1. Ensure timely identification and management of potential and existing Conflict of Interest Situations and establish guiding principles for action to prevent or mitigate Conflict of Interest Situations;
 - 1.1.2. Establish requirements for the identification, prevention and management of Conflict of Interest Situations arising or likely to arise during the rendering of Financial Services to Clients, including: Investment Services, Non-core Investment Services, or other services related to Investment Services. The Policy sets out the general arrangements for resolving identified Conflict of Interest Situations and the procedure in which the Bank provides information to Clients on potential and existing Conflict of Interest Situations;
 - 1.1.3. Ensure the management of Conflict of Interest Situations at the Bank which arise or may arise regarding the existing or planned Financial Transactions;
 - 1.1.4. Ensure the prevention of Corruption.
- 1.2. The Policy regarding the Banking Group's undertakings and their employees and officials shall be applied proportionally and in accordance with their activities and objectives.
- 1.3. The management of Conflict of Interest Situations arising or likely to arise from the provision of Investment Services, Non-core Investment Services, or other services related to Investment Services is aimed at ensuring that the Client's interests are respected, protected and best results are achieved.

- 1.4. The Bank implements the Policy in accordance with the applicable laws and regulations of the European Union and the Republic of Latvia, including: the laws and regulations of FCMC, “BluOr Bank AS Strategy” and the articles of association, as well as the “Code of Corporate Ethics Standards”.
- 1.5. In managing the Conflict of Interest Situations, in accordance with regulatory provisions of the FCMC, the Bank shall:
 - 1.5.1. Prevent the occurrence of situations where Employees face or might face Conflict of Interest Situations in the course of fulfilling their occupational duties;
 - 1.5.2. Ensure that the Employees avoid side jobs or combination of job positions if this may lead to a potential, apparent or real Conflict of Interest Situation, or cast a shadow upon the Bank’s reputation;
 - 1.5.3. Ensure the mutual independence of structural divisions engaged in activities that represent or may cause a Conflict of Interest Situation;
 - 1.5.4. Ensure that information provided by the Bank to business partners, Clients or potential Clients is clear, accurate, true, complete (disclosing all substantial risks to a Client), and not misleading;
 - 1.5.5. Ensure management and control of the Bank’s transactions with Related Parties, Officials and Employees authorised to carry out planning, and ensure that the terms and conditions in carrying out similar Bank transactions with the Relatives of such persons are not more favourable than for persons non-related with the Bank and do not harm the interests of the Bank and its depositors or investors. The responsibilities of Employees in carrying out the planning, management and control of the Bank’s activities are laid down in the “Regulation on the Organisational Structure of BluOr Bank AS”, their job descriptions and other internal regulatory documents.
- 1.6. The Bank Employees and Officials shall provide information regarding themselves in accordance with the procedures specified in the “Procedure for the Identification and Management of Conflict of Interest Situations”, ensuring that information on potential or existing Conflict of Interest Situations is kept up to date.
- 1.7. The restrictions on carrying out transactions with Related Parties and the actions of the Council are set out in the “Regulation of the Operations of the Council”, while the restrictions on the activities of the Board members are set out in the regulatory document “Regulation of the Operations of the Board”.
- 1.8. The implementation of measures related to the management of Conflict of Interest Situations:
 - 1.8.1. Investment Services and Non-core Investment Services — Client financial instrument account servicing units, the Chief Compliance Officer, the CCD compliance manager for the compliance of investment services, the Brokerage Services Departments, the Client Asset Management Department and the Financial Market Department;
 - 1.8.2. Credit risk-related services — Crediting department, the Credit Transactions Processing and Debts Recovery Department, the Loan Servicing and Monitoring Department, the Financial Analysis and Financial Risk Management Department;
 - 1.8.3. Client engagement and sale of services — Client servicing units;
 - 1.8.4. Corporate governance — Human Resources Department, Chief Compliance Officer, CCD, the Board and the Council in accordance with the procedures and scope specified in the Bank’s internal documents.
- 1.9. The requirements of the Policy shall be binding on all Employees, in particular the Employees that inform Clients about the Financial Services and the Employees of the Banking Operations Accounting, Control and Reporting Department (or the Relatives of persons who may pose a risk of Conflict of Interest to the Bank).
- 1.10. Policy requirements shall also be binding on the providers of outsourced services within the meaning of the regulatory enactments governing the Bank’s activities.
- 1.11. The Bank shall implement the anti-corruption measures by ensuring regular reporting on material benefits accepted, their evaluation, periodic reporting to responsible collegial bodies, and providing explanatory information during the training of Employees and Officials.
- 1.12. The Bank lays down the main fundamental principles for the prevention of Corruption for which all Employees and Officials are responsible.

2. GUIDELINES FOR THE PREVENTIONS OF CONFLICT OF INTEREST SITUATIONS

- 2.1. The Bank is aware that Conflict of Interest Situations may arise between:
 - 2.1.1. A Client and the Bank;
 - 2.1.2. Two or more Clients of the Bank, in a situation where the Bank provides Financial Services for those Clients;
 - 2.1.3. An Employee and a Client;

- 2.1.4. An Employee and the Bank;
 - 2.1.5. The Bank and any other company of the Group of the Bank and a Client;
 - 2.1.6. The Bank's Related Party and the Bank or a Client;
 - 2.1.7. Various structural units of the Bank.
- 2.2. The Bank takes all necessary steps to respect the interests of an individual Client or of several Clients in order to prevent potential Conflict of Interest Situations and to ensure that Clients are treated fairly. If the Bank is not capable of preventing a Conflict of Interest Situation, the Bank discloses all information on the Conflict of Interest Situation to the Client or Clients and takes steps to minimise the impact of the Conflict of Interest Situation.
 - 2.3. A Conflict of Interest Situation exists in any case where the actions of the Bank in the processing of an order or taking a decision on Investment Services/Non-core Investment Services are based not only on objective considerations, but are also materially (other than insignificant non-monetary benefit) affected by the interests of the Bank, its Employee, Related Party, the Bank's counterparty, or another Client.
 - 2.4. Key indicators of a Conflict of Interest Situation are payments or other benefits presented to or accepted from third parties by the Bank in relation to the service provided to the Client ("incentives"). The Bank gives or accepts incentives only in cases where such incentives contribute to, or are required for providing the Client with the specific Investment Service/Non-core Investment Service, and they do not conflict with the Bank's obligation to act fairly, honestly and professionally in the interest of the Client.

3. THE PROCEDURE FOR THE IDENTIFICATION OF CONFLICT OF INTEREST SITUATIONS

- 3.1. In identifying the Conflict of Interest Situations, account is taken of the circumstances in which the Bank, its Employees and Officials, Related Parties, could possibly:
 - 3.1.1. Gain profit or eliminate financial losses at the expense of the Client;
 - 3.1.2. Have an interest in the outcome of a Financial Service provided to a Client or the result of a transaction carried out on behalf of a Client where such transaction does not meet the interests of the Client;
 - 3.1.3. Pursue the same professional activity as the Client; have an interest in carrying out transactions for a Client or several Clients without taking into account the interests of other Clients, at the result of which such other Clients do not receive the best possible results;
 - 3.1.4. Gain possible incentives in the form of cash, goods or services and non-essential cash-free benefits, other than standard commissions normally accepted as commissions for the service provided.
- 3.2. Employees and Officials of the Bank shall take all necessary and proportionate measures to identify Conflict of Interest Situations inherent in Financial Services in their professional activities.
- 3.3. In managing the Investment Services and Non-core Investment Services Bank identifies the Conflict of Interest Situations inherent to each type of service.
- 3.4. The Bank classifies the provided Investment Services and Non-core Investment Services in the following categories, and identifies for each category the potential sources of Conflict of Interest Situations:
 - 3.4.1. Brokerage services in the financial instruments market;
 - 3.4.2. Brokerage services in currency markets and transactions with derivatives;
 - 3.4.3. Management of Client funds (portfolio management, fiduciary transactions);
 - 3.4.4. Initial deployment of financial instruments (including initial deployment of the Bank's or its shareholders' financial instruments) in relation to other Investment Services and Non-core Investment Services.
- 3.5. Conflict of Interest Situation regarding the Investment Services and Non-core Investment Services may arise for the following reasons (including, but not limited):
 - 3.5.1. In providing Investment Services, the Bank at the same time acts as the buyer on behalf of the Client and as the issuer of the financial instrument concerned;
 - 3.5.2. In providing Investment Services, the Bank at the same time acts as the buyer on behalf of the Client and as the seller of the financial instrument concerned;
 - 3.5.3. In providing Investment Services, the Bank at the same time acts as the buyer on behalf of one Client and as the seller on behalf of another Client;
 - 3.5.4. In portfolio management, the Bank invests in financial instruments or funds issued by the Bank or related entities;
 - 3.5.5. In providing individual portfolio management services, the Bank issues an order (assignments for execution) to the related entity;

- 3.5.6. Providing one Client with advice or services in the organisation and distribution of the issue and providing another Client with advice or services regarding the same issue;
- 3.5.7. Advising Clients on Investment Services;
- 3.5.8. Employees carrying out personal transactions (including Front Running, acceptance of benefits from Bank counterparties, etc.);
- 3.5.9. Carrying out the initial deployment of financial instruments, if the Bank offers such financial instruments to its Clients (including within the portfolio management services), and/or purchasing the same financial instruments in the Bank's portfolios;
- 3.5.10. Providing services of certified consultant on the First North market;
- 3.5.11. Other situations where the Bank or another Group entity, their Employee or Official has an interest in the activities carried out by the Bank in the provision of Investment Services;
- 3.5.12. Providing a Client with advice or services in the organisation and distribution of an issue in respect of too low or too high emission price or the involvement of the persons concerned in the processes.

4. PREVENTION OF CONFLICT OF INTEREST SITUATIONS

- 4.1. In order to prevent the Conflict of Interest Situations in Investment Services and Non-core Investment Services, the Bank shall:
 - 4.1.1. Not accept any charges, discounts or non-cash benefit for the delivery of Client orders to a specific place of sale or enforcement;
 - 4.1.2. In providing portfolio management or investment advisory services — reimburse to the Client any inducements, i.e. commissions and any cash-denominated benefits made or provided by a third party (which may be considered as inducements) as soon as possible after receiving such payments, or refrain from accepting such payments;
 - 4.1.3. Not accept any non-financial benefits which are considered to be significant and may be considered as incentives;
 - 4.1.4. Not accept investment studies from third parties which may be considered as incentives if such investment studies are not publicly available;
 - 4.1.5. Comply with the restrictions imposed by the *Nasdaq Riga* Stock Exchange when providing certified consultant services on the *First North* market.
- 4.2. If the Bank organises the initial deployment of financial instruments, the Bank shall:
 - 4.2.1. Not promote the interests of other Clients or the investment company if such action would conflict with the interests of the issuer's Client;
 - 4.2.2. Not allow itself to be influenced by any existing or future business relationship;
 - 4.2.3. Not distribute securities in such a way as to induce high-level commissions for unrelated services provided by an investment company (so-called laddering);
 - 4.2.4. Not distribute securities to a high-level management of an existing or potential issuer's Client as remuneration for corporate financial activities provided before or after such activities (so-called spinning);
 - 4.2.5. Not distribute securities based on a direct or implied condition that Client or any undertaking where the Client is the owner or managing officer would subsequently order any other services;
 - 4.2.6. Not distribute securities in such a way that the offer price promotes the interests of other Clients or the Bank itself in a way that could conflict with the interests of the Client-issuer;
 - 4.2.7. Prevent and manage situations where persons responsible for providing bond issuance services to Bank Clients are directly involved in decision-making on providing financial advice on pricing to corporate Clients-issuers/
- 4.3. For the purposes of preventing Conflict of Interest Situations in credit risk-related services, the Bank shall ensure that:
 - 4.3.1. Employees or Officials who take decisions on the granting of a credit, amending or early termination of agreements, or perform independent valuation of collateral, are acting independently and impartially, as well as the Conflict of Interest Situations are managed in accordance with the Bank's "Procedure for the Identification and Management of Conflict of Interest Situations";
 - 4.3.2. Employees or Officials do not participate in the decision-taking regarding loans or collateral valuation if:
 - 4.3.2.1. The Employee or the Official has a personal relationship with the borrower (according to the definition of the term "Relative") or professional relationship outside the Bank;
 - 4.3.2.2. The Employee or the Official an economic or other, direct or indirect, actual or potential, financial or non-financial, relationship with the borrower;

- 4.3.2.3. The borrower has an influence of a political nature or is politically linked with the Employee or the Official;
- 4.3.2.4. There is a Conflict of Interest Situation in relation to the loan collateral or its valuation for the Employee or the Official.

5. MANAGEMENT OF CONFLICT OF INTEREST SITUATIONS

- 5.1. If a Conflict of Interest Situation cannot be avoided, the Bank shall apply the following measures:
- 5.1.1. The Bank shall apply the “Code of Corporate Ethics Standards” in its daily operations, by including its principles in the Bank’s regulations, and basing its activities on high standards of fairness and fair business, with due regard to its Clients, by ensuring that Employees and Officials comply with high standards of ethical behaviour in the performance of their duties;
 - 5.1.2. The Bank shall ensure that organisational structures and responsibilities are shared so that preconditions are created for the prevention of Conflict of Interest Situations. These measures include separation of responsibilities, simultaneous and sequential involvement of a specific Employee in the provision of individual Financial Services or processing activities;
 - 5.1.3. The Bank shall provide for the separation of information processing activities and information flows to ensure that the provision of certain Financial Services and their processing activities are separate and that physical and logical barriers are created in the exchange of information which may lead to conflict of interests;
 - 5.1.4. The Bank shall ensure that the layout of workplaces of Employees provides for separation of information and limits the access of Employees to information prepared or processed by another Employee, the use of which may lead to a Conflict of Interest Situation;
 - 5.1.5. The Bank shall establish restrictions on combining professional roles and commercial activities of Employees and Officials.
- 5.2. The Bank shall develop and implement the procedures establishing:
- 5.2.1. The procedure for carrying out personal transactions of Employees and Officials for the performance of Investment Services and Non-core Investment Services, including information disclosure (reporting) requirements consistent with best practices, procedures for acceptance/authorisation of such transactions, possible restrictions on transactions with financial instruments;
 - 5.2.2. The procedure for gathering and updating information, ensuring the identification and management of Conflict of Interest Situations by ensuring that Employees and Officials provide information on themselves on a regular basis;
 - 5.2.3. Common principles for working with counterparties, selection of counterparties and working process, including the order of acceptance of Financial Transactions.
- 5.3. The Bank shall refuse to provide Financial Services to a Client where a Conflict of Interest Situation may threaten the reputation of the Bank and the material interests of any Client.
- 5.4. The Bank shall refuse or terminate contractual relationship with a counterparty where a Financial Transaction may threaten the reputation of the Bank and the material interests of the Bank.
- 5.5. In its daily economic activities the Bank shall endeavour to avoid the occurrence of Conflict of Interest Situations, taking into account the principles set out in this Policy.
- 5.6. The Bank’s “Remuneration Policy” is an essential tool for managing Conflict of Interest Situations, providing for adequate, proportionate and adequate remuneration for the professional performance of duties of Employees in order to motivate Employees to avoid Conflict of Interest Situations and take the necessary steps to achieve the best results for the Client.
- 5.7. Conflict of Interest Situation management measures with regards to Investment Services and Non-core Investment Services include regular monitoring of transactions, not only with a view to identify unfair or manipulative transactions, but also to verify the transactions completed, to establish whether the best results have been achieved for the Client, whether the transactions are suitable for the Client, and whether the Client has been alerted about the inherent risks of the transaction, whether the information on Conflict of Interest Situations has been disclosed and measures taken to prevent risks and Conflict of Interest Situations (compliance monitoring function).
- 5.8. An essential measure to manage Conflict of Interest Situations is disclosure of information on the nature and reasons for the Conflict of Interest Situation to the Bank’s Clients prior to the commencement and delivery of Investment Services or Non-core Investment Services. The Employees responsible shall ensure that the Client is provided with comprehensive, objective and correct information about potential Conflict of Interest Situations.

6. DISCLOSURE OF CONFLICT OF INTEREST SITUATIONS TO CLIENTS IN PROVIDING INVESTMENT SERVICES OR NON-CORE INVESTMENT SERVICES

- 6.1. If the organisational and administrative measures introduced by the Bank to prevent or manage Conflict of Interest Situations are not sufficient to ensure a sufficient degree of assurance that the risk to harm the Client's interests will be avoided, the disclosure of the Conflict of Interest Situation shall be implemented as the last-level protection measure.
- 6.2. Employees shall take every measure to prevent Conflict of Interest Situations. If the Conflict of Interest Situation is not rectified, the Employee shall disclose to the Client, in the form to be maintained, the general nature and causes of the Conflict of Interest Situation, as well as the risks posed by the Client as a result of the Conflict of Interest Situation, and the measures taken to mitigate those risks, in order to enable the Client to take a decision that is appropriate to their interests.
- 6.3. If possible, the Employee shall inform the Client about the possibility to withdraw from the transaction causing a Conflict of Interest Situation, the effect of which cannot be minimized in any other way.
- 6.4. The Bank shall document and keep records of Conflict of Interest Situations, including information on the types of notification of Conflict of Interest Situations and the content of the notification. The requirements for documenting and storing information are specified in the relevant internal regulatory documents of the Bank.
- 6.5. Employees shall report on any identified current or potential Conflict of Interest Situation in accordance with the procedures specified in the internal documents.

7. DUTIES OF THE COUNCIL AND THE BOARD IN THE PREVENTION OF CONFLICT OF INTEREST SITUATIONS AND PREVENTION OF CORRUPTION

- 7.1. The members of the Council and Board shall, in fulfilling their occupational duties, prevent the Conflict of Interest Situation from occurring and shall refrain from making decisions on transactions of the Bank with regard to which the relevant member of the Bank's Council or Board faces or might face a Conflict of Interest Situation. The Bank provides for the reporting arrangements establishing the order by which Officials report on Financial Transactions or Financial Services in which they face, directly or indirectly, any current or potential Conflict of Interest Situations.
- 7.2. The Bank shall document any identified Conflict of Interest Situation with regard to the members of the Council and the Board, both individually and collectively, as well as the measures intended to manage or rectify this situation.
- 7.3. The members of the Council and the Board shall act independently in their decision-making (independence of mind) and solely in the interest of the Bank, taking into account this Policy and the "Code of Corporate Ethics Standards".
- 7.4. Within the framework of Policy management, the Board shall ensure the prevention or mitigation of Conflict of Interest Situations, as well as the prevention of Corruption by:
 - 7.4.1. Monitoring the identification and management process, approving the "Procedure for Identifying and Managing Conflict of Interest Situations";
 - 7.4.2. Assessing the information included in the operational compliance risk reports;
 - 7.4.3. Managing Conflict of Interest Situations at the Bank by implementing this Policy and the "Code of Corporate Ethics Standards";
 - 7.4.4. Reviewing the Policy prior to its approval by the Council, as well as reviewing any other regulatory documents of the Bank;
 - 7.4.5. Ensuring adequate qualifications and sufficient experience of Employees.
- 7.5. Within the framework of Policy implementation monitoring, the Council shall ensure the prevention or mitigation of Conflict of Interest Situations, as well as the prevention of Corruption by:
 - 7.5.1. Ensuring periodic updating of the supervisory system in line with changes in the operations of the Bank and external circumstances affecting the activities of the Bank;

- 7.5.2. Defining and approving this Policy;
- 7.5.3. Defining and approving the Bank's corporate values and professional conduct and ethical standards in the regulatory document "Code of Corporate Ethics Standards";
- 7.5.4. Ensuring the management of Conflict of Interest Situations, prevention of Corruption, in general, by evaluating the information included in activity compliance risk reports.

8. ANTI-CORRUPTION POLICY GUIDELINES

- 8.1. The Bank, in the management and prevention of Corruption, has established the following principles of action in its internal processes:
 - 8.1.1. The Bank shall not financially support any political parties, political campaigns or politically exposed persons;
 - 8.1.2. Bank sponsorship shall not be used for conducting any activities that may have a negative impact on the reputation of the Bank;
 - 8.1.3. The Bank shall exercise caution when participating in the marketing and training activities offered by Clients or partners;
 - 8.1.4. The Bank shall establish the minimum threshold for accepting material benefits and business entertainment from Clients, partners or third parties, other than the remuneration paid for Bank services;
 - 8.1.5. The Bank shall develop internal arrangements for Employees to report on benefits, gifts or services accepted from Clients, partners or third parties;
 - 8.1.6. The Bank shall define the following models of action:
 - 8.1.6.1. *Zero-tolerance* against giving or accepting any kind of benefit, bribery, gratitude, preference aimed at influencing decisions or actions of a person if the actions of the said person without bribery would be different;
 - 8.1.6.2. Not supporting the presenting any kind of material benefit to Officials and Employees of State and local government institutions and public persons in capital companies in order to influence their decisions and receive any orders or personal benefits;
 - 8.1.6.3. Not supporting any kind of manipulations with accounting data and records;
 - 8.1.7. When the information in the Bank's possession indicates corrupt behaviour by any current or potential Client, the Bank shall choose the most precautionary scenario and decide not to establish business relationship or to restrict services in accordance with the internal regulatory documents of the Bank.

9. TRAINING

- 9.1. An essential measure in the management of Conflict of Interest Situations and preventing Corruption is the providing professional training for Employees and Officials, during which the principles of ethical conduct, principles and measures of prevention of Conflict of Interest Situations, measures for reaching the best results in the interest of a Client, as well as the Bank's rules for the prohibition of Corruption, are explained to Employees and Officials.
- 9.2. The Bank shall organise regular training of Employees and Officials:
 - 9.1.1. To inform the Employees and Related Parties of the requirements of this Policy;
 - 9.1.2. To prevent Corruption in the performance of their duties and enable them identify potential and existing cases of Corruption in the activities of the Clients;
 - 9.1.3. To mitigate or prevent potential and existing Conflict of Interest Situations;
 - 9.1.4. To call for reporting on the cases referred to in the above paragraphs, to set out the reporting channels and responsible parties for assessment and processing of the reports, and the application of corrective or monitoring measures.

10. POLICY COMPLIANCE MONITORING, EVALUATION AND REPORTING

- 10.1. The Bank shall monitor the Policy compliance on a regular basis, by means of surveying the Employees and Officials on an annual basis, evaluating the data received and conducting an assessment of the situation in accordance with the internal regulatory documents of the Bank.
- 10.2. The Bank shall impose an obligation on the Employees and the Officials to report any changes to the data provided for in paragraph 10.1.
- 10.3. The Bank shall ensure that during the annual self-assessment of the operational compliance elements an assessment of the overall level of risk related to the Conflict of Interest Situations and the process of identifying, preventing and managing Corruption in the Bank as a whole is carried out.

11. RESPONSIBILITIES

- 11.1. Officials and Employees shall be responsible for:
 - 11.1.1. Timely familiarizing and complying with the current version of the Policy, participation in training on the prevention of Conflict of Interest Situations and Corruption;
 - 11.1.2. Prevention, detection and reporting of Corruption, avoiding any action resulting or potentially resulting in the violations of this Policy;
 - 11.1.3. Prevention or mitigation, detection and reporting of Conflict of Interest Situations by avoiding any action resulting or potentially resulting in the violations of this Policy;
- 11.2. If there is suspicion or information regarding any alleged or actual violations of this Policy or the "Code of Corporate Ethics Standards", Employees or Officials shall have the possibility to raise an alarm in accordance with the procedures specified in the internal regulatory documents of the Bank.
- 11.3. For any Official or Employee who violates this Policy, the Bank shall carry out internal investigation; penalty may be imposed in accordance with the procedures laid down in the internal regulatory documents of the Bank.
- 11.4. Where there is information about any current or potential Bank counterparties (including providers of outsourced services) who violate or do not comply with this Policy, the Bank shall have the right not to initiate or terminate such contractual relationship.

12. POLICY UPDATE

- 12.1. The Policy shall be updated in compliance with the measures of the internal control system and in accordance with the amendments to the regulatory enactments, not less than once a year.
- 12.2. The Board shall have the right to amend the Policy and to submit proposals to the Council on any amendments made.
- 12.3. The Council shall review the Policy at least once a year, assessing its relevance and approving it.
- 12.4. The updated Policy shall be published on the Bank's website and shall be effective from the date of publication.