

NLB GROUP ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

NLB Group is firmly committed to compliance and integrity and has zero tolerance for any form of corruption and bribery practices in the different jurisdictions where it operates. It is committed to actively complying with the standards of the United Nations Convention against Corruption (2003), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997), and the Business Principles for Preventing Bribery (2013, Transparency International) and complies with the national anti-corruption laws of the countries in which it operates.

NLB Group is aware of the importance of the fight against corruption as well as other financial crimes. Thus, NLB d.d. and other members of NLB Group actively implemented policies and procedures to follow the zero tolerance of any form of corruption, either in the public or private sector. We have established rules and procedures, guidelines and rules of conduct in this regard which are binding for all employees as well as members of the governing bodies of the NLB and NLB Group Members. We expect these standards from business partners, suppliers and other persons, which we cooperate with.

As part of our whistleblowing policy, special whistle blowing channels are available (<https://whistler.nlb.si/>) to all employees through which they may in bona fides confidentially report to respective compliance management on the committing of suspected acts of corruption or other forms of corruption risks which they become aware of during their professional activities. As part of our approach, we guarantee not only anonymity of the whistleblowers but also their protection against any form of retribution.

In the NLB Group, any form of corruption is strictly prohibited

Corruption shall mean any abuse of position for private purposes. This includes obtaining financial and non-financial benefits for oneself or for others. Examples of corruption are blackmail, bribery, embezzlement and other forms of fraud, nepotism, facilitation payments.¹

In the NLB Group, it is prohibited to use any resources of any NLB Group member for any illegal purposes or purposes that are not in compliance with the anti-corruption rules stipulated by this Policy. The employees shall be obliged to reject any corrupt conduct and immediately report it to the OU in charge of compliance.

Illicit accepting and illicit giving of gifts (bribery)

In the NLB Group it is strictly prohibited to illicitly give or accept gifts to or from anyone, whether a business partner, supplier or public servant, in order to win new business, keep the existing business or advance one's interests in a wrong way. Nobody in the NLB Group may under no circumstances promise, offer, accept or give anything that might be considered to be a bribe. Not only that this is illegal; it constitutes a criminal offence, violates the policies of the NLB Group and undermines our business integrity.

Facilitation payments

In the NLB Group, facilitation payments are prohibited. One shall not give or accept facilitation payments. Facilitation payments shall mean payments where a (low) amount of money is offered or promised to public servants or government representatives² in order to ensure or accelerate routine or necessary activities that are part of ordinary (official) procedures. Usually, such payments are requested in cash. Typical examples are payments of (low) amounts to public servants to ensure a visa, passing of goods through the customs, or accelerate the process of issuing official permits (licences, building permits

¹ Soliciting is also deemed an action of corruption – if someone promises or even gives a reward to another person in exchange for the action that has the signs of corruption. In such case, both the solicited person and the person who in fact performs the action engage in corrupt practice.

² A public servant shall mean:

- Officials or employees of any government or state authority, agency or legal person at any level (including candidates for political positions, members or political parties and employees as well as political parties)
- Employees of state-owned companies
- Persons exercising public authorisations for the account of the state (e.g. member of a diplomatic representative office)
- Members of international organisations

etc.), or end the procedures. Although in certain countries around the world such payments are requested, they constitute bribery and frequently include gifts and the like.

Nepotism

In the NLB Group, nepotism is prohibited. All employment or outsourcing procedures must be carried out transparently, using the principle of fair and equal treatment and provision of equal opportunities, in accordance with the prescribed employment or outsourcing procedures in order to recruit the best candidates and avoid conflicts of interest.

Nepotism means that the decision-maker or the person with influence on decision-making treats with preference their close family members or other persons in close personal relationship with them (personal acquaintances) without a justified and substantiated reason.

Lobbying and political contributions

Lobbying is any activity that aims to directly or indirectly influence the development of legislation, public policies, or decisions made by public bodies and public officials.

The NLB Group engages in lobbying activities solely for the purpose of protecting its legitimate business interests and in accordance with applicable legislation, internal acts, and the principles of integrity, transparency, and responsible business conduct. Lobbying on behalf of NLB is permitted only to members of the Management Board or other expressly authorized persons acting as unregistered lobbyists in accordance with the regulations governing lobbying. In exceptional cases, where necessary for the effective protection of the legitimate interests of the NLB Group, registered lobbyists may be used, but only with the prior consent of the management board of the relevant member of the NLB Group. Contractual relationships with registered lobbyists must include requirements for compliance with legislation, ethical standards, and the internal policies of the NLB Group. Any other lobbying on behalf of the NLB Group is not permitted.

In the NLB Group, the members shall not pay any political contributions – neither direct nor indirect. The prohibition applies to all members of the NLB Group, all employees, and all persons acting on behalf of or for the account of the NLB Group, and to all forms of contributions, regardless of jurisdiction. Political contributions are any direct or indirect contributions to political parties, political representatives, candidates, or political campaigns. Such contributions may pose a risk of conflict of interest, corruption or attempts to unduly influence decisions. The NLB Group is politically neutral and therefore does not make financial contributions to political parties, political representatives, candidates or political campaigns. Nevertheless, any employee, regardless of their position, may freely participate in political activities or campaigns, but as an individual in their own private sphere, without using the NLB resources, networks or brand to contribute (financially or non-financially) to the activities or political parties, politicians or political campaigns.

Sponsorships and donations

A donation is a one-way transaction, a contribution intended for those who need help, and the recipient does not need to do anything in exchange for the donation. Sponsorship is a two-way transaction, where the recipient of the sponsor funds must also meet certain priorly agreed obligations, such as publicity, showing the sponsor's logotype etc. Social responsibility, which includes sponsorship and donation programmes, is one of the basic responsibilities of the NLB Group; therefore, it is necessary to respect the established transparent procedures of approving and monitoring whether the purpose of donations and sponsorships was met (including the conditions).

Donations and sponsorships shall be allowed if they express or support the values of the NLB Group and are in accordance with the internal policies of the NLB Group. Every employee of the NLB Group must avoid approving donations and sponsorships in a non-transparent way to for-profit organisations, associations or organisations, or persons related to the NLB Group, or without respecting the rules established for approving donations and sponsorships.

Standards for suppliers and/or outsourced providers

Our purchasing processes may include goods and services that are regularly produced in countries around the world. Therefore, it is important to be aware of the risk faced by the NLB Group due to the conduct of our suppliers and outsourced providers (business partners). Responsible operations shall mean that we only ensure cooperation with suppliers that have high ethical standards that match ours. The suppliers or outsourced providers may also include subcontractors, suppliers of goods and services for any member of the NLB Group. All third persons must be appropriately checked, monitored and controlled based on risks that NLB Group members must regularly assess. The suppliers and outsourced providers must be informed in advance about the requests in the area of compliance and integrity, receive links for accessing the published Code of Conduct of the NLB Group (for public use), and the contracts with NLB d.d. and other members of the NLB Group must contain standards in the area of compliance and corruption prevention as well as appropriate legal remedies (termination of contract for failure to respect the NLB Group standards). It is also necessary to carry out due diligence of the supplier and outsourced provider, and carry out regular risk assessments of the contractual relationship during the term of the contract in accordance with the internal rules for outsourcing and purchasing procedures. To prevent corruption, all rules of this Policy, including the rules on gifts, facilitation payments and bribery shall apply *mutatis mutandis* to the suppliers and outsourced providers in the same way.

Use of intermediaries

Intermediaries are agents, advisors, real estate agents, representatives and other persons acting on behalf of and for the account of NLB d.d. or other member of the NLB Group. In certain cases, they also cooperate with public servants (e.g. when obtaining permits for constructing office buildings, obtaining other permits etc.).

In practice, corruption and bribery risk is higher (such acts are more frequent) when intermediaries are used. Since they represent the NLB Group, we are responsible for our intermediaries as if they were our own employees. Therefore, intermediaries must be informed in advance about the requests in the area of compliance and integrity, receive links for accessing the published Code of Conduct of the NLB Group (for public use), and the contracts with NLB d.d. and other members of the NLB Group must contain standards in the area of compliance and corruption prevention as well as appropriate legal remedies (termination of contract for failure to respect the NLB Group standards). To prevent corruption, all rules of this Policy, including the rules on gifts, facilitation payments and bribery shall apply *mutatis mutandis* to the intermediaries in the same way.

Employment of or ordering services from former public servants, office holders or their relatives

Public servants and office holders, their close family members and other persons closely related to them (e.g. friends, other close acquaintances) may never be prioritised because of these connections in employment procedures, or processes of service ordering or goods purchasing. The same rule applies to former public servants and officer holders for the period of the last 5 years since the termination of their employment or function. In employment procedures and purchasing processes, it must be determined whether there are corruption risks or risks of conflict of interest due to such connections in accordance with this Policy and the policy regulating conflict of interest management. Should there be any doubt, the OU in charge of compliance shall issue an opinion.

Contacts with high state officials

The members of management bodies of the NLB Group members who have contacts with the government or state representatives, or the representatives of diplomatic representative offices or international organisations must, in addition to compliance with the rules on gift acceptance and giving, in order to protect the integrity and reputation of the NLB Group, take due care that in these contacts they pursue the basic objective of this Policy, namely ensure transparency of operations.

In order to protect the interests of the NLB Group and respect the rules of this Policy, it is necessary to keep records of (bilateral) meetings of the members of the management bodies (executive and non-executive committees) of the NLB Group member with government or state representatives, or the representatives of diplomatic representative offices or international organisations. The secretariat of each NLB Group member shall keep a record of such contacts with the following data: a) place and date of the meeting, b) participants of the meeting and c) purpose of the meeting.

Contacts with other persons

Employees in the NLB Group approached by a representative or agent of a supplier, outsourced provider, client or third person in order to try to inappropriately influence the business decisions of NLB d.d. or other NLB Group member in an inappropriate or illegal manner shall immediately disclose this to the OU in charge of compliance.

Rules on accepting and giving gifts and hospitalities

Employees in the NLB Group may not, directly or indirectly, practice any form of corruption and may not ask for or request or accept or promise any money, award, gift, other benefit or (return) favour from any customer, any (existing or potential) business partner or third person. Coverage of travel expenses and accommodation expenses, and coverage or omission of attendance fees for professional conferences, business meetings and training courses (either by the NLB Group member or a third party) shall also be deemed to be a gift.

Rules have been established regarding when gifts are permissible:

- They are not in the form of money (cash or other forms of money) or money-like benefits (e.g., shares, deposit certificates, discount vouchers, etc.).
- They are received or given in good faith as part of establishing or maintaining a business relationship.
- They are given as an expression of gratitude and/or courtesy and do not give the recipient the impression that they owe the giver anything in return for receiving the gift (they do not place them in a dependent relationship).
- They do not influence or give the impression that they could influence the business decisions and conduct of the employee (e.g., there are no ongoing or anticipated business negotiations).
- They are not excessive ("excessive" includes offers that are disproportionately lavish (such as invitations to expensive or exclusive cultural or sporting events)), too frequent (including an inappropriate number of invitations from a customer or supplier to individuals) or too time-consuming.
- Do not affect the reputation of NLB Group members.
- If offered in the form of benefits (e.g., free training), are commercially justified, reasonable, and participation has been approved in advance by a superior.
- They do not deviate from business practices.
- If they are given to public servants, officials, or other public figures who are subject to special regulations on the prevention of corruption, they comply with any additional restrictions set out in these regulations.
- They are commercially justified – NLB uses them to strengthen its partnership relations with its existing or future clients or business partners; the gift given should, if possible, originate from benefits received in the form of sponsorships and donations.

Offers of hospitality may be accepted or given if they are necessary for the development and maintenance of business contacts that are relevant to work obligations. They should be limited to working lunches or similar events as far as possible.

Permissible hospitality is hospitality that meets the conditions for permissible gifts as listed above, and is also:

- Available in the same form to all participants in the event.
- Be of a decent nature.
- Not be exclusive.
- As a rule, represent a reasonable part of the program of a professional or business meeting (no more than one-tenth of the program time), and
- Is approved in advance by a superior.

The NLB Group member keeps records of all gifts and hospitality given and received that, based on their value, exceed the usual small gifts and hospitality that are part of regular business contacts. An internal procedure has also been established for the approval of high-value gifts and hospitality, which requires the consent of the compliance function.

Violations of the Policy

Any violations of the rules of this Policy shall be treated in accordance with the internal documents concerning the treatment and sanctioning of such violations. Corruption is a criminal offence (several different ones, depending on the specific forms of corruption and applicable national legislation) and the consequences are often far reaching and may include sanctions in the form of considerable fines, putting on the black list of international organisations, prison sentences for individuals and sanctioning of legal persons. Additionally, each NLB Group member may suffer considerable damage due to loss of reputation (doubts in its integrity and social responsibility).

The NLB Group has adopted a zero-tolerance policy toward all corrupt practices. Even minor acts of this kind undermine the rule of law and create opportunities for even more serious violations. Therefore, the NLB Group deems any violation of this Policy (especially those committed with intent or gross negligence) to be a major violation of the duties of employees; and if any violations are discovered, appropriate measures shall be adopted, possibly leading to termination of employment and filing of a criminal complaint against the individual in question.