

GROUP COMPETITION LAW COMPLIANCE POLICY

1. PURPOSE AND SCOPE OF POLICY

The purpose of this policy is to ensure that the Bank of Cyprus Public Company Ltd and its subsidiaries (BoC Group) conduct its business fairly, ethically, with honesty and transparency and in compliance with the regulatory and business standards of the industry on Competition Law practices.

The BoC Group has set up this policy and related procedures to ensure that it does not engage in any anti-competitive practices that could infringe the relevant legal framework in relation to Competition Law. The purpose of this Competition policy is to establish rules that ensures the BoC Group competes fairly with other entities in the market. This encourages efficiency, creating a wider choice for consumers and improving quality.

2. ABBREVIATIONS

Within this document, the following abbreviations are used:

Abbreviation	Definition
ALCO	Assets & Liabilities Committee
BoC Group	Bank of Cyprus Public Company Ltd and its subsidiaries
CPC	Cyprus Commission for the Protection of Competition
CD	Compliance Division
ExCo	Executive Committee

3. DEFINITION OF TERMS

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

(The definition of terms is not be considered to carry out an exhaustive description of the obligations of undertakings as per the the Protection of Competition Law 2022 (Law No. 13(I)/2022) and the Control of Concentrations between Undertakings Law of 2014 (Law No. 83(I)/2014), which the reader consults for further information. More specifically, the descriptions concerning the below definitions are to be considered for the purposes of understanding the issues which the aforementioned legislative instruments aim to regulate.)

1. Competition Law

Means the legal framework which was enacted to regulate and implement the rules on competition in Cyprus. In this regard, the applicable laws and regulations relating to competition law enforcement are the following:

- a. Protection of Competition Law 2022 (Law No. 13(I)/2022), as amended by Law 169(I)/2022 and
- b. Control of Concentrations between Undertakings Law of 2014 (Law No. 83(I)/2014).

- c. Articles 101 and 102 of the Treaty of the Functioning of the European Union and Council Regulation (EC) No. 1/2003 of 16 December 2002 on the implementation of the rules on competition and Regulation (EC) No 773/2004 on the conduct of proceedings to investigate cartels by the European Commission.
- d. Commission Regulation (EU) 2022/720 of 10 May 2022 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices relating to the Block Exemptions (Vertical Agreements and Concerted Practices Order of 2022). The CPC is the national competition authority responsible for the application of these articles.

2. Concentration of Undertakings

Means a concentration of undertakings which arises where a change of control on a lasting basis, results from:

- a. The merger of two or more previously independent undertakings or parts of undertakings, or
- b. The acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings.

3. Concentrations of Major Importance

Means an act of concentration of undertakings where:

- a. The aggregate turnover achieved of each of at least two of the participating undertakings is more than three million five hundred thousand (3,500,000) Euro; and
- b. At least two of the participating undertakings achieve turnover within the Republic, and
- c. At least three million five hundred thousand (3,500,000) Euro out of the aggregate turnover of all the participating undertakings is achieved within the Republic; or
- d. It is declared a concentration of major importance by Order of the Minister of Energy, Commerce, Industry and Tourism that a notified concentration is of major public interest as regards the effect it may have on the public security, the pluralism of the media and the principles of sound administration, even though it may not fulfil any of the aforementioned conditions in subparagraphs (a)-(c) above.

4. Cyprus Commission for the Protection of Competition (CPC)

Means the competent authority for applying the competition rule in Cyprus. The CPC is an independent administrative authority, which is additionally responsible for examining and ruling upon conduct that is deemed anti-competitive and in violation of the Competition Law. The CPC enjoys a wide range of powers, similar to those enjoyed by the European Commission.

5. Dawn Raid

Means the unexpected and unannounced inspection by the CPC.

6. Dominant Position

Means the position of economic strength enjoyed by an undertaking which:

- a. Enables it to prevent the preservation of an effective competition in the relevant market of a specific product or service.
- b. Affords it to behave to a considerable extent, independently of its competitors and its customers and effectively independently of the consumers. It is unlikely that an undertaking with less than 40% of a relevant market would be found to be dominant.

7. Incident Response Team

Means the team which is formed every time an inspection and/or an investigation and/or a Dawn Raid is initiated by the CPC.

The Incident Response Team includes members from:

- a. Relevant Business Lines.
- b. Organisation Department.
- c. Compliance Division.
- d. Legal Services.
- e. Any other party relevant to the specific request such as Support functions etc.

The Compliance Division has the leading role for the coordination between the members of the Inspection Response Team and the External Subject Matter expert.

8. Liability

Is regarding the consequences of infringing Competition Law can be very serious, both for the BoC Group and for an individual. For example, a person who fails to comply with or acts in contravention of a decision of the CPC issued pursuant to specific provisions of the Protection of Competition Law 2022 (Law No. 13(I)/2022), may become guilty of a criminal offence and may be liable, if convicted, to imprisonment not exceeding two (2) years or even to a fine not exceeding three hundred forty thousand euros (€340.000) or both. It is therefore important to note that Directors, Managers and Officers of the BoC Group infringing the legal framework may be liable for can be subject to proceedings for the imposition of, including fines, damages, and other liabilities, including imprisonment and disqualification from their office. Considering that the BoC Group may engage in activities over multiple jurisdictions it's through the offering of its services, it is considered appropriate for any officer to take into consideration that other jurisdictions may apply additional punishments for similar offences.

The CPC for every infringement has the power to impose the following measures to undertakings or associations of undertakings, natural or legal persons or to the private bodies who infringe the provisions of the Competition Law or omit to comply with them:

- a. To impose an administrative fine, according to the gravity and duration of the infringement, not exceeding 10% of the total turnover of the undertaking or not exceeding 10% of the sum of the total turnover of every undertaking which is a member of the infringing association of undertakings, where the turnover corresponds to the preceding financial year.
- b. To force the undertakings or associations of undertakings involved to end the infringement within a fixed timeframe and to refrain from repeating it in the future. Where the infringement has been ended before the issuing of the decision of the CPC, the CPC may condemn the infringement by a declaratory decision.
- c. To impose any terms and measures, whether of behavioural and/or structural nature, proportionate to the infringement committed which are necessary to bring such infringement effectively to an end.
- d. In case that the undertakings or associations of undertakings concerned do not comply with the CPC's decision issued pursuant to paragraphs (b) and (c) above, the CPC may impose an administrative fine up to 5% of the average daily turnover, during the preceding financial year, for each day during which the infringement continues.

It is important to note that national Competition Law is modelled on EU Law and in accordance with the provisions of the Law, the Competition Commission is also empowered to examine potential breaches of Article 101 and/or 102 TFEU.

9. Party Responsible for the Notification Obligation

Is defined as the party whereby if the act of concentration of undertakings takes place when a permanent change of control occurs:

- a. From the merger of two or more previously independent undertakings or parts of undertakings; or
- b. From the acquisition by one or more persons already controlling at least one undertaking or from one or more undertakings, directly or indirectly, by way of purchase of securities or assets, by contract or otherwise, of the control of the whole or parts of one or more undertakings, the notification are made jointly or separately by the participants in those transactions. In all other cases, the notification obligation is the responsibility of the acquirer.

It is hereby clarified that in all other cases not constituting a merger within the meaning of subparagraph (a), or an acquisition of joint control within the meaning of subparagraph (b) of the definition “**Concentration of Undertakings**”, the notification obligation is the responsibility of the person or undertaking acquiring control. For more information as to when the notification is done, please read below section 4, paragraph 7 of this policy.

10. Persons at Risk

Defined as all Directors, Management, Officers, and other personnel who are authorized to enter into agreements on behalf of and/or bind and/or represent the companies within the BoC Group Additionally it includes any persons who have the authority to determine pricing, terms and conditions of business, BOC’s decision making as to the territories in which BOC shall operate in as well as to determine the products to be provided to clients. Such practices are avoided even if such communication is encouraged by governmental bodies, Associations etc. It is also essential that there is no attempt to “rig the market” in some other informal manner. The description of the meaning of this definition is not be perceived as exhaustive. Additionally, officers who are engaged on a daily basis in matters concerning the BoC Group’s commercial policy including participating in the Executive Committee (ExCo) and ALCO where potential competitively sensitive information concerning the BoC Group’s activities and overall policy are discussed, would be considered as falling under the definition of “Persons at Risk”, even if they do not enter into formal or informal agreements that bind the BoC Group.

11. Vertical agreements

A vertical agreement is a type of business arrangement between companies that operate at different levels within the same supply chain. For example, a bank might enter into a vertical agreement with a financial technology (fintech) company to provide exclusive digital banking services to its customers. Similarly, a financial institution might have agreements with various service providers, such as payment processors or insurance companies, to offer a range of financial products and services. Vertical agreements in financial institutions must comply with competition laws to prevent anti-competitive practices and ensure fair competition in the market. Further to the Block Exemptions (Vertical Agreements and Concerted Practices) Order of 2025, as it was transposed to local law under N.41/2025, provides that vertical agreements can be exempted from competition laws, if their turnovers are not exceeding EUR 2 million.

4. GENERAL PRINCIPLES

This policy requires the following:

1. A Central Registry of related laws & guidelines is maintained by CD. CD ensures that all applicable responsibilities are well defined, assigned accordingly and properly dealt with. The relevant legal framework is (a) The Protection of Competition Law 2022 (Law No. 13(I)/2022), as amended by Law 169(I)/2022 and (b) the Control of Concentrations between Undertakings Law of 2014 (Law No. 83(I)/2014) and the (c) Law on actions for damages for infringements of Competition Law 113(I)/2017.
2. A Competition Law Compliance Manual ("**the Manual**") is maintained by CD that contains the policies and practices as well as the procedures that the employees, Management and Directors of the BoC Group adopt and follow so that competition challenges are minimized and hopefully eliminated.
3. A list is prepared and maintained by CD with "Persons at Risk". This list is reviewed by CD and approved by the CEO on an annual basis. Meanwhile, if new people need to be added or existing persons removed from the list, it is the responsibility of the Compliance Division to liaise with the Divisional Directors to review the list and obtain their consent for any changes. Human Resources Division may provide recommendations to Compliance Division. Upon CEO approval, Human Resources Division 'marks' the approved roles in the Human Resources system, generates the list and forwards it to CD on the 31st of December of each year. The retention period of the Persons at Risk list is maintained in accordance with the Information Security Policy and Security Standard for Data Retention of the BoC Group.
4. Persons at Risk are required:
 - a. To sign an undertaking that they have read and understood the Manual.
 - b. To complete a report every year to enable the BoC Group to monitor the effectiveness of its compliance program.
5. CD circulates the Manual to all "Persons at Risk". CD monitors the implementation of the Manual and sets out procedures which include:
 - a. Sending the Manual to all "Persons at Risk" and following up the signing of the undertaking.
 - b. Requesting every year from each "Person at Risk" to reconfirm the undertaking.
 - c. Co-organizing training with the Legal Services when needed for "Persons at Risk" and other employees involved.
 - d. Maintaining a registry of all signed undertakings.
6. The Competition Law, as well as important legal developments and relevant legal guidelines in relation to competition issues, are included by the CD on the Employee Portal for easy access by all members of staff.
7. A process is established to ensure compliance with the legal framework in relation to Competition Law and in particular with the notification obligations arising from the acts of concentration of undertakings to the CPC. More specifically, in the cases of loan restructurings that may entail a lasting change of control of a company, the clearance of the Commissioner for the Protection of Competition is required. It is important for the Party Responsible for the Notification Obligation to be aware of such notification obligations triggered by the acts of concentration of undertakings. In particular, the acts of concentration of major importance are notified in writing to the CPC prior to their

implementation and following the conclusion of the agreement, the announcement of the public bid, or the acquisition of a controlling interest. Notification is also be made where the participating undertakings demonstrate to the CPC a good faith intention to conclude an agreement or, in the case of a public bid, where they have announced an intention or final decision to make such a bid, provided that the intended agreement or bid would result in a concentration of a major importance. All necessary actions are done with the assistance of the Legal Services. Additionally, relevant guidelines on the matter are incorporated in the respective divisions' internal manuals and procedures.

8. A procedure is established for assessing third parties requesting/interested in acquiring services from the BoC Group e.g., card services. The assessment process is based on transparency and proper governance.
9. At the beginning of each year, the CD with the contribution of the Legal Services, updates documents and procedures needed to encompass Competition Law issues and developments. These include guidelines (issued by the Legal Services or CD) with actions to be followed in case of an inspection and/or an investigation and/or a Dawn Raid by the Competition Authorities. The Inspection Response Team is formed to deal effectively with possible inspections and/or investigations and/or a Dawn Raid initiated by the CPC and guide personnel on how to act in accordance with Competition Law.
10. All service level agreements, including vertical agreements if applicable, and all contracts of the BoC Group comply with the provisions of Competition Law.
11. If an Employee, Manager or Director of the BoC Group:
 - a. Has any concern about whether an agreement or activity may infringe Competition Law; or
 - b. Comes across any document (including letters and internal memos) which suggest that a breach of competition rules may be occurring, he/she immediately informs the CD.
12. The BoC Group does not enter into agreements with competitors concerning (a) prices (b) terms and conditions (c) allocation of territories (d) the allocation of customers (e) production levels and quotas (f) range of products to be produced or for any other matter which may be deemed anti-competitive behavior. Transparency in pricing is ensured through the Commissions Committee, which reviews the Table of Commissions and Charges. Regarding the terms and conditions, as well as the product information, transparency is ensured through the respective reviews, as per applicable procedures.
13. In the case of an inspection and/or an investigation and/or a Dawn Raid initiated by the CPC, every employee contacts the CD or the Legal Services immediately when this comes to their attention. The Inspection Response Team is informed to organize and plan the way to tackle the inspection and/or the investigation and/or the Dawn Raid initiated by the CPC.

The CPC has the exclusive competence, among others, to:

 - a. Investigate and take decisions on the infringement.
 - b. Decide whether all the conditions are met so that an agreement, decision, and concerted practice is valid.
 - c. Decide on interim measures.
 - d. Impose terms and behaviour and /or structural remedies, according to the infringement, necessary to bring the infringement to an end.
 - e. Conduct investigation in a specific sector of the economy or in specific types of agreements.

More analytically, the CPC may:

- a. Conduct an inquiry when the trend of trade, the rigidity of prices or other circumstances create suspicion that competition may be restricted or distorted in the Republic.
- b. Request specific information such as that the undertakings or associations of undertakings communicate to the CPC any agreements, decision, or concerted practice.
- c. Publish a report on the results of such inquiry and
- d. Use the evidence from the said inquiry in cases of investigation of possible infringements.
- e. The CPC, in enforcing Competition Law, is empowered to obtain a wide range of information as part of its various investigations, either by means of a written request or even by means of an unannounced inspection, known as a **Dawn Raid**.

Non-compliance issues are assessed accordingly, and relevant measures/processes are in place to consider the regulatory and reputational impact, as well as the impact on the capital adequacy and liquidity of the BoC Group.

5. GOVERNANCE

5.1 Roles and Responsibilities

Board of Directors	Bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top.
Audit Committee	Reviews and notes the policy and may provide some recommendations, if any, to the Board which bears responsibility for approval. Makes sure that sufficient, dependable, and secure internal procedures are in place to ensure that the BoC Group complies with the policy. Monitors the effective implementation of the Policy via the Control Functions.
ExCo	Reviews the Policy prior to submission to the AC. Ensures that it is effectively embedded throughout the BoC Group's operations.
Risk Management Division	Reviews and assesses the compliance risks addressed in the policy, ensuring that the risks undertaken are within the BoC Group's risk appetite.
Internal Audit Division	<ul style="list-style-type: none"> • 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. • Informs AC of its findings and relevant recommendations
Commissions Committee	Sets the strategy for charges and fees. Monitors/compares pricing in relation to competition. Defines/sets pricing of new and existing Charges and Fees considering the costing of operations/procedures. Ensures harmonization of charges and fees with changes in legislation. Submits suggestions to ALCO for revision of existing and introduction of new charges and fees.

<p>Compliance Division</p>	<p>Has the overall responsibility for the drafting and enforcing the policy. Prepares and updates relevant procedures/circulars as required.</p> <p>Identifies the Persons at Risk on an annual basis in collaboration with the Divisional Directors and Human Resources Division.</p> <p>Organizes and conducts relevant training for all staff.</p> <p>Carries out monitoring reviews to assess the effective implementation of the Policy and recommends corrective actions where required.</p> <p>The RCD Manager participates as an Observer to the Commissions Committee and reviews / assess any changes to the Table of Commissions and Charges and provides comments.</p>
<p>External Subject Matter expert</p>	<p>Constitutes the external legal professional specializing in Competition law, provides expert legal advice and guidance on issues related to Competition law on an ongoing basis, serves as the primary point of contact for Dawn Raids from CPC, along with Compliance Division and Legal Services, reviews the Competition law as such is updated, conducts training sessions biannually for the 'Persons at Risk' within the BoC Group, liaises with the Incident Response Team regarding additional information and/or reviews required from the CPC.</p>
<p>Human Resource ('HR') Division</p>	<p>Following The CEO's approval of the Persons at Risk list, HR Division has the responsibility to update the HR Systems and provide the list to Compliance, on an annual basis.</p>
<p>Legal Services</p>	<p>Following the request of the Compliance Division, Legal Services has the responsibility to review the manual whenever such is updated. Additionally, they are in communication with the External Subject Matter Expert on the subject and liaise with them on matters of investigations by the Regulator whereby the External Subject Matter Expert is involved.</p>
<p>Persons at Risk</p>	<p>Persons at Risk are defined as all Directors, Management, Officers and other personnel who are authorized to enter into agreements on behalf of and/or bind and/or represent the companies within the BoC Group. It is essential that these people do not enter into formal or informal agreements with competitors on prices, terms and conditions of business, the allocation of territories, the allocation of customers, production levels and quotas, the range of products to be produced etc. Such practices are totally avoided even if such communication is encouraged by Governmental bodies, Associations etc. It is also essential that there is no attempt to "rig the market" in some other informal manner. In accordance with the Competition law manual, they are required to report any misconduct or infringement of the BoC Group's rules and policies or any actions that may breach the competition law of the BoC Group and abide by the required actions as per the manual, namely, to provide the Annual Undertaking on an Annual Basis, abide by the Dos and Don'ts list etc as per the Manual.</p>

Incident Response Team	Schedules appropriate calls and /or meetings in order to manage the actions to tackle the inspection and/or the investigation and/or the Dawn Raid, engages the appropriate stakeholders in order to attain the information requested by the CPC, assign tasks to its members in order to ensure efficient and effective cooperation as well as ensuring meeting the deadline assigned, plans out timelines for which each relevant stakeholder, conducts four-eye checks between its members before the dispatch of the response to the CPC and liaises with the external subject-matter expert, in regards to additional information and/or reviews required from the CPC.
-------------------------------	--

5.2 Supporting Documentation

Detailed written procedures are in place for the implementation of this policy.

6. EXCEPTION APPROVAL PROCESS

Not applicable.

7. IMPLEMENTATION PROCEDURES (KEY PROCESSES)

The following are the Key Processes of this Policy:

1. The provision of the Competition Law Compliance Manual to the Persons at Risk, which outlines the procedures which Employees, Management and Directors of the BoC Group adopt in order to evade involvement in anti-competitive practices, as well as mitigate risks related to competition law.
2. The maintenance of the Persons at Risk List, which contains all Directors, Management, Officers and other personnel of the BoC Group who are authorized to enter into agreements on behalf of and/or bind and/or represent the BoC Group and companies within the Group.
3. The biannual training to the Persons at risk by an External Subject Matter expert, which provides updates on competition law, as well as informing them of their obligations, for the purpose of avoiding anti-competitive practices.
4. The annual staff training on the Treating Customers Fairly principles, which define consumer protection practices, further to the applicable legislation, for the purpose of avoiding the unfair treatment of customers.