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# Group Whistleblowing Policy

## 1. PURPOSE

The Bank of Cyprus Group is committed to ethical behaviour and conducts its business fairly and with honesty. To this respect, the Group expects all staff members and management to conduct business with the highest standard of integrity.

Improper, unethical or inappropriate behavior within the Group is therefore unacceptable. The Group Whistleblowing Policy (“the Policy”) is expected to encourage all staff members to bring to the notice of the Group any issue involving compromise and/or violation of ethical norms, legal or regulatory provisions and any conduct that may be illegal, unacceptable or improper. It also aims to ensure that the rights of any person reporting such incidents are respected, and effective procedures are in place, that protect and support anonymity and confidentiality.

The Policy sets forth the principles for management of the information received through whistleblowing. It acts as reminder of everyone’s ethical and moral duty to take appropriate measures to identify such situations and attempt to remedy them and to allay fears of possible consequences to the whistleblower.

Our CEO to his message to all staff stated the following:

*"Trust, integrity and accountability are fundamental values of the Group and are among our organisation’s greatest assets. They form core components of the relationship we have created with all our stakeholders.*

*Trust is earned through consistent behaviour and actions and when trust is lost because of poor management of misconduct it takes considerable time and energy to restore. We therefore each have an ethical obligation to raise issues of concern where these may affect our stakeholders, our business or our reputation.*

*Help us to maintain this trust. Speak up on matters that you believe need your voice! If you do not feel comfortable to raise your concerns on misconduct or unethical behaviour through other procedures already in place, please use the whistleblowing procedure. Be assured that whether eponymous or anonymous, your concerns will be investigated in a discreet and confidential manner.*

*We will not tolerate any type of retaliation, harassment or intimidation against any employee who raises a concern. Should you experience any form of retaliation as a result of using the speak up channel, I personally assure you that appropriate measures will be taken.*

*We urge you to share your concerns and help the Group maintain the trust of its stakeholders through ethical behaviour and honest and fair business conduct."*

## 2. SECTORS AFFECTED

Bank of Cyprus applies the Policy on a Group basis and throughout its operations and provides a channel to the following persons for making disclosures confidentially and if preferred anonymously:

- i. Management Body and Executive members
- ii. Staff members of the Group

In relation to external stakeholders such as customers, shareholders, business associates etc., confidential reporting of an incident may be encouraged via other channels and processes such as Investor Relations Department, Customers Complaints procedure etc.

## 3. POLICY PRINCIPLES AND KEY PROCEDURES

The Policy forms an integral part of the Group's effort to ensure that all cases of suspected misconduct, illegal acts, or failure to comply with rules, regulations and policies of the Group are reported by staff members and managed in a timely and appropriate manner.

Staff members should freely report any violation or suspected violation of any of the Group's regulations, or any incident for which they reasonably suspect that it has to do with misconduct, fraud, or illegal act. It is not necessary for the reporting employee to have evidence but only a level of initial certainty that provides sufficient reason to launch an investigation. Staff members are encouraged to voice such concerns anonymously and without fear of repercussions should they feel uncomfortable to follow other communication paths.

Group employees who speak up when they have concerns (unethical, illegal, fraud, non-compliance, etc.) are doing the right thing and are acting in line with the Group's code of conduct.

The Policy general principles include:

- Concerns in good faith, about wrongdoing or malpractice are raised in confidence without fear of retaliation, victimization, disadvantage or dismissal.
- A climate of accountability is promoted with respect to Group resources, including its employees' proper training on the principles and relevant procedures.
- Procedures for the reporting of any matters of concern are clearly provided. The persons concerned must be able to bypass the main channels for confidential reporting of matters of concern, if these are considered inappropriate and use the whistleblowing line.
- Reports are managed in a timely consistent and professional manner.
- Reported incidents will be examined in the appropriate manner and if confirmed, the Group shall take all necessary steps to identify appropriate remedies.



- The policy allows and encourages any Director, officer, employee to confidentially or anonymously provide information in relation to matters of concern, including reporting on issues that may be relevant to the suitability of a person to hold an assessed person position, as these are defined in the Group Suitability policy.
- The appointment of a non-executive director as a Whistleblowing Champion with specific responsibilities (as shown in Appendix 1).

### 3.1 Procedure

The Group has a detailed written procedure in place for the implementation of this policy based on the key guidelines given in Appendix 2 of this policy. This procedure also acts as an internal alert and should:

- a. Provide clear rules that ensure confidentiality is guaranteed in all cases in relation to the person who reports the breaches.
- b. Provide guidance as to the necessary information to help examine/assess a case.
- c. Ensure that the potential or actual breaches raised are assessed and escalated.
- d. Ensure confirmation of receipt to staff that have raised potential or actual breaches (if not anonymous).
- e. Ensure the tracking of the outcome.
- f. Ensure appropriate record keeping.

### 3.2 Assurance

- i. Compliance function needs to ensure that there is an internal alert procedure in place to facilitate the confidential reporting by staff members of concerns, shortcomings or potential violations in respect of the Group's policies, legal, regulatory or business obligations or ethical considerations.
- ii. The alert procedure needs to ensure the protection of the personal data of both the person who reports the breach and the natural person who is allegedly liable for the breach in accordance with the General Data Protection Regulation EU 2016/679.
- iii. The Whistleblowing Champion (the Chairperson of the Audit Committee) ensures and oversees the integrity, independence and effectiveness of the Group's policy and procedure on whistleblowing.

## 4. KEY DEFINITIONS

'Whistleblowing' is the reporting by staff members when they reasonably suspect misconduct, illegal acts or non-compliance with Group policies, fraud and any other conduct that may be unacceptable or improper.

'Whistleblower' is any person who in good faith, makes a report pursuant to this policy with respect to a violation or potential violation and is protected from any retaliation by the Group.

'Retaliation' includes discrimination, reprisal, harassment or vengeance in any manner.

'Report' means under this Policy, revealing or exposing in details an important aspect/act.



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‘Good faith’ means that the whistleblower reasonably believes that the disclosure being made is true and is not being made either for personal gain or for any ulterior motive.

## **5. ROLES & RESPONSIBILITIES**

All responsibilities in relation to the Policy are clearly assigned, explained and monitored (please refer to Appendix 1).

**Appendix 1****RESPONSIBILITIES IN RELATION TO WHISTLEBLOWING POLICY**

<b>Board of Directors</b>	The Board of Directors of the Group retains ultimate responsibility for compliance of the Group with applicable laws and provides ‘tone-at-the-top’ to encourage and ensure that the Group establishes appropriate alert procedures enabling staff members to communicate potential or actual breaches of internal or regulatory requirements or concerns of wrongdoing within the Group through a specific, independent and autonomous channel without fear of reprisal.
<b>Audit Committee</b>	The role of the Committee is to review and approve the Group’s whistleblowing policy, review the procedures, assess their effectiveness and ensure that there are adequate, reliable and secure internal whistleblowing procedures arrangements for staff and contractors to raise concerns (including about possible improprieties in matters of financial reporting) in confidence and that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Chairperson of the Committee acts as the whistleblower’s Champion.
<b>Whistleblowing Champion</b>	Ensures and oversees the integrity, independence and effectiveness of the Group’s policies and procedures on whistleblowing including those policies and procedures intended to protect whistle-blowers from being victimised because they have disclosed reportable concerns.
<b>Ethics, Culture and Conduct Committee</b>	The role of the Ethics, Culture and Conduct Committee is to review the whistleblowing policy and recommend it to the Audit Committee for approval and to oversee management efforts to foster a culture of ethics, compliance and control within the Group so as to ensure that the highest standards in ethics culture and business integrity are applied throughout all of the activities of the Group and to discourage unethical behaviour.
<b>Internal Audit</b>	IA has the main responsibility to assess information received through the whistleblowing line and if deemed necessary to fully investigate and report to the Audit



	<p>Committee and/or other reporting lines if applicable. Responsible officers in IA should be assigned to examine issues in strict confidence.</p> <p>A report of all disclosures made to the anonymous reporting line and any subsequent actions will be submitted by IA to the AC.</p>
<b>Compliance Division</b>	<p>Compliance Division ensures that there is an internal alert procedure in place to facilitate the confidential reporting by staff members of concerns, shortcomings or potential violations in respect of the Group’s policies, legal, regulatory or business obligations or ethical considerations. Compliance Division maintains and updates this policy and provides direction and guidance to the business through this policy and detailed processes and procedures.</p>
<b>Human Resource Division</b>	<p>HR Division must implement procedures whereby a whistle-blower is protected from retaliation and ensuring that the basic rights of all staff members implicated in reported incidents are respected and that all investigated and confirmed incidents of improper, unethical or inappropriate behaviour on the part of members of staff are dealt with in line with the Bank’s disciplinary procedures.</p>
<b>Operational Risk Management Department</b>	<p>Should the results of the investigation be communicated to the Operational Risk Management Department, the latter should ensure that the incident is recorded in the Operational Loss Database (where this is applicable) and is properly managed to avoid reoccurrence. The Fraud Risk Management Unit must be duly informed for the incident reported if relevant.</p>
<b>Corporate Affairs Division</b>	<p>Should there be a threat of a leak of an incident to the media, or should the incident otherwise pose a reputational risk for the Group, Corporate Affairs Division should be informed.</p>
<b>Members of Staff</b>	<p>Members of staff are required to report any suspected or presumed incidents of illegal behaviour, misconduct or infringement of the Group’s rules and policies or any actions that damage the reputation of the Group.</p> <p>Reports may be addressed to any of the person’s line manager, compliance function, HRBP or Divisional Director. However, if the person has concerns that the matter may not be handled properly or feels uncomfortable to discuss such matters with these people then the whistleblowing line should be used.</p> <p>Concerns may be raised, by telephone, to the whistleblowing telephone line or in writing by letter/email</p>



addressed to IA Director. They will all be treated in confidentiality.

Members of staff receiving such information in the line of their duties (as line managers, compliance function, HRBP or Divisional Director) must ensure the protection of the person reporting to them and in confidentiality forward this information to the IA for further investigation.

Appendix 2**Key Procedure****1. When shall I speak up?**Examples of Incidents to Report

- Fraud (such as Theft, Corruption, Coercion, Collusion, Bribery)
- Finance and accounting concerns
- Human Behavior and Breaches of the Code of Conduct
- Information or asset misuse and access
- Integrity issues
- Conflicts of interest
- Dignity at work (e.g. harassment and bullying)
- Negligence
- Secrecy, data protection and confidentiality issues
- Key omissions of operating, compliance, administrative credit and internal control procedures
- Inadequate segregation of duties/4 eyes principle leading to potential fraud, misconduct, unacceptable or improper behavior.
- Breach of Competition Law
- Breach of Market Abuse Policy and procedures
- Health and Safety issues leading to unacceptable or illegal practices
- Breach of corporate governance principles
- Fitness and Probity

\*Financial Crime – concerns in relation to AML issues should be reported by staff members through the Internal Suspicious Report procedure described in O.E 0151 (section 9)





## **2. Reporting channels**

The ‘whistleblowing line’ provides staff members with the opportunity to report reasonable concerns or incidents which come to their attention and which affect or may affect the Group’s operations and reputation. All staff members have a duty to report such concerns and incidents in accordance with the relevant provisions of the Code of Conduct of the Group and this Policy.

Reporting can be done by phone to the Whistleblowing telephone line or by letter addressed to “Internal Audit Director, 0230”. If someone wants to report something eponymous it can be done also by email addressed to the IA Director and in absolute confidentiality.

## **3. Investigation and Assessment**

The investigation and assessment results are to be submitted by Internal Audit Director to the Audit Committee and/or other reporting lines as deemed necessary. Cases are evaluated upon receipt and are investigated based on the level of priority assigned to them according to the preliminary evaluation performed.

## **4. Remedial, disciplinary and further actions**

Any recommendation that addresses residual risk pertaining to improving the relevant procedures will be communicated to the appropriate divisions. Should the investigation identify specific members of staff as implicated in any breach or inappropriate action then the HRD will be informed and disciplinary procedures will be initiated as per the Code of Conduct.

Should there be a need to prevent a leak to the media of an incident under investigation, Corporate Affairs Division should be informed.

## **5. Protection**

The Group will treat all reports by whistleblowers as confidential to the maximum degree permitted by law. Should there be an overriding reason for identifying or otherwise disclosing the name of the whistleblower (such as required by law) the whistleblower (in case of eponymous disclosure) will be informed in advance. Investigations will be conducted as quickly as possible, considering the nature and complexity of the disclosure and the issues raised therein. Retaliators will be disciplined, and, in all cases, maximum protection will be afforded to whistleblowers.

The Group will also protect persons that have been reported from any negative effect in case the investigation results do not justify taking measures against that person.