



**BENDURA BANK**  
BENDURA BANK AG · LIECHTENSTEIN

# CODE OF CONDUCT OF BENDURA BANK AG

## RECITAL CLAUSE

We aim to inspire our customers by providing high-quality banking services and increasing our recognition and customer loyalty in the process. Achieving this goal means maintaining and strengthening customer proximity and trust in our Bank.

This objective is reflected in this Code of Conduct, which defines the way in which we conduct our business. We expect our Board members, the members of the Executive Committee and all employees to consistently apply the principles it contains. The Code of Conduct does not establish any rights or obligations of third parties vis-à-vis the members and employees of our company. However, we expect those who render services on behalf of our company or have other business relationships with us to commit to and apply core values and standards which equate to those of our Code of Conduct as a minimum.

Consistently adhering to these principles is the only way we can maintain and strengthen our ongoing reputation for integrity and prudent risk behavior.

The Code of Conduct centers on ethical principles and creates an orientation framework for our value-based corporate culture. Since the scope of the Code of Conduct cannot cover all conceivable situations, these are supplemented or further elaborated in additional internal regulations (so-called governance documents). All governance documents must comply with the principles of conduct laid down in this Code of Conduct. With this approach, the Code of Conduct can be used to ensure our business practices meet our high standards.

Board of Directors  
of BENDURA BANK AG  
Gamprin-Bendern, 18.12.2020

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# 1 OUR CODE OF CONDUCT

Our professional standards center on the following principles of conduct, which the Liechtenstein Bankers' Association defined as binding for all members as follows in the Code of Conduct it issued on October 22, 2009:

## 1. Care and privacy

We act conscientiously and with care. Doing so allows us to maintain optimum levels of privacy and confidentiality.

## 2. Reputation

We refrain from any actions that could damage the reputation of the banking and financial center in the public eye. We communicate with the public objectively, transparently, correctly and promptly. We refrain from any cooperation with partners who have a dubious reputation or are associated with dubious business.

## 3. Responsibility

We shall not encourage our customers to deceive domestic or overseas authorities, particularly tax authorities, by submitting incomplete or otherwise misleading certificates. The customer itself is responsible for handling the regular taxation of the assessed monies as well as income and all related declarations and reports in accordance with the provisions of its tax domicile.

## 4. Integrity

We act according to ethical principles and in accordance with the legal regulations applicable to us. In particular, we undertake to support the fight against money laundering, terrorist financing, criminal organizations, corruption and bribery by complying with all applicable legal provisions.

## 5. Fairness

We are fair to our competitors and reject aggressive poaching policies.

## 6. Commitment

We are working resolutely to further refine the framework conditions of the Liechtenstein banking and financial center.

## 7. Innovation

We are proactive and committed to enhancing the appeal, competitiveness and professionalism of Liechtenstein as a banking and financial center; both nationally and internationally.

## 8. Motivation

Nothing is more important to us than the professional competence, loyalty and integrity of our employees. We always motivate our employees to achieve sustainable top performance and offer them suitable training and development opportunities.

## 9. Solidarity

We uphold the social responsibility incumbent on us toward our employees, customers, shareholders, business partners and other stakeholders as well as society.

## 10. Transparency

We provide our customers with all relevant information concerning the products and services on offer in an appropriate form. We strive to avoid conflicts of interest or disclose them where they are unavoidable.

This mission statement encompasses the values, goals and strategy of BENDURA BANK AG. Within the scope of the internal control system (ICS) and building on this mission statement, the Code of Conduct specifies the legal and moral requirements governing the conduct of managers and employees in the performance of their duties in detail.

The Code of Conduct applies uniformly to all companies of the BENDURA Group, which are uniformly referred to as "BENDURA". The Code of Conduct underpins the obligation to behave with integrity by documenting the commitment of all company employees and managers to follow or refrain from the

following particular patterns of behavior: When implementing the Code of Conduct, managers have to function as role models and meet a special level of responsibility. They are responsible for implementing the Code and thus required to make it a cornerstone of the employee training.

## **2 PRINCIPLES AND OBJECTIVES**

BENDURA's public image is basically formed by the appearance and behavior of each individual employee. Accordingly, each individual employee is responsible for ensuring that his/her own actions and omissions promote, rather than damage, BENDURA's environmentally and socially conscious image.

The Code of Conduct is a binding set of rules that applies to every employee as well as all members of the Board of Directors and Management Board. It is intended to help overcome ethical and legal challenges that arise in daily work.

All employees and members of management and the Board of Directors are obliged to act responsibly and refrain from behaving in any inappropriate manner. This applies in particular to intentional or deliberate disregard or violation of this Code or any invitation to others to violate the same. Any concerns, attempts at fraud or possible violations of any law, provision or regulatory policy must be promptly reported to the supervisor. Otherwise, in cases where this is inappropriate, the Compliance Department should be consulted. BENDURA employees also have the option of contacting the internal or external whistleblowing office (in accordance with a separate regulation).

Such reports will be kept strictly confidential and will not result in retaliation for employees who report in good faith. Imposing or tolerating extraordinary behavioral measures constitutes serious misconduct and will not be tolerated.

The Code of Conduct represents an integral component of the terms and conditions of employment and any violation of the same may trigger consequences under labor law.

## **3 BASIC BEHAVIORAL REQUIREMENTS OF BENDURA BANK AG**

### **3.1 LAW-ABIDING BEHAVIOR**

It is important for us to remain successful in the long term. As we understand it, ensuring integrity throughout the entire scope of our entrepreneurial activity is a must to achieve this aim. The framework within which we operate comprises laws, ordinances and comparable regulations.

We continually strive to act in accordance with the law and expect the same from our partners.

Every employee must, in addition to legal and internal regulations, also observe the recommendations and guidelines of the Liechtenstein Bankers' Association and authorities (particularly the Liechtenstein Financial Market Authority) which are relevant to his/her activities and define the framework within which he/she acts. Violations of the law must be avoided under any circumstances. Any employee committing a violation can expect disciplinary consequences - irrespective of the sanctions provided for by law - due to violating his/her contractual obligations.

### **3.2 RESPONSIBILITY TO UPHOLD THE REPUTATION OF BENDURA**

The reputation of BENDURA is basically shaped by the actions and behavior of each and every one of us. Inappropriate behavior or actions by even one employee can already cause considerable damage to the company. Every employee must focus on the public image of BENDURA. Completion of all tasks performed must be with this in mind.

### **3.3 MUTUAL RESPECT, HONESTY AND INTEGRITY**

We respect the personal dignity, privacy and personal rights of each individual. We work together with women and men of different origins, nationality, culture, religion and skin color. We do not tolerate discrimination or any form of sexual or other personal harassment or insult. We are open, honest and with integrity and uphold our responsibility. We are reliable partners and only make promises we are capable of keeping. These principles apply to both internal cooperation and conduct toward external partners.

We strive to ensure fair employment conditions, pay fair wages and take employee needs into account when implementing operational measures.

### **3.4 LEADERSHIP, RESPONSIBILITY AND SUPERVISION**

Each supervisor bears responsibility for employees entrusted to him/her. He/she must earn their recognition through exemplary personal behavior, performance, reliability and social competence. He/she shall set clear and realistic goals, lead through trust and give employees as much personal responsibility and freedom as possible. He/she or each any member of the Board of Directors can also be contacted by employees in the event of professional or personal concerns.

Each supervisor must fulfil his/her organizational and supervisory duties. He/she is responsible for ensuring that no legal violations occur within his/her area of responsibility that could have been prevented or mitigated by proper supervision. This responsibility remains, even when individual tasks are delegated.

In detail, the following applies with regard to management, responsibility and supervision:

- The supervisor must carefully select employees with their personal and professional suitability in mind. The duty of care increases in accordance with the importance of the task that the employee has to perform (duty of selection)
- The superior must stipulate tasks precisely, completely and with binding effect, particularly as regards compliance with the statutory provisions (duty to issue instructions).
- The supervisor must ensure compliance with statutory provisions is monitored on an ongoing basis (control duty).
- The supervisor must clearly communicate to employees that any violations of the law are condemned and will engender consequences under labor law.

## **4 DEALINGS WITH BUSINESS PARTNERS AND THIRD PARTIES**

### **4.1 LEGAL COMPLIANCE, COMPLIANCE WITH REGULATIONS AND PROFESSIONAL STANDARDS**

We strictly adhere to all applicable legal regulations, the regulations of authorities and recommendations of the Liechtenstein Bankers' Association and have issued numerous internal directives in this regard. All employees are obliged to ensure they remain aware of all applicable laws, regulations and rules concerning their work. We maintain open, productive and cooperative relationships with all authorities and cooperate fully in the event of regulatory investigations, questions or audits.

As part of our activities, we also comply with applicable tax laws and strictly abstain from any practices that could be conducive to unlawful tax evasion.

We are also committed to complying with the Wolfsberg Standards and the recommendations of the Financial Action Task Force (FATF) and the OECD in general. This also includes consideration of the principles of conduct published by the OECD as appropriate, such as human trafficking and corruption, as well as various risk governance issues.

## 4.2 PREVENTION OF BRIBERY AND CORRUPTION

Bribery and corruption come in various forms, such as offering or accepting direct or indirect payments, services, generous gifts, (charitable) benefits, sponsorship, preferential treatment or accelerated payments. Our employees are obliged to reject any attempts at bribery and any illegal payments and report the same to their superiors. Bribery or corruption on the part of our employees, suppliers or the third parties with whom we do business or who act on our behalf will not be accepted and will be severely punished. Our employees are required to exercise special care in dealings with public officials and to refrain from participating in any transactions where there are reasonable grounds to suspect bribery or corruption.

We take strict care to ensure decisions are not influenced by any kind of granting of advantages. To ensure everything is set out clearly, we have defined the following rules:

### 4.2.1 OFFERING AND GRANTING BENEFITS

We justify the custom and trust of our customers with the quality of our innovative services. No employee shall, whether directly or indirectly, offer or grant any other party unjustified advantages connected to his/her business activities, whether in the form of cash payments or other benefits. Gifts and complimentary services rendered to employees of customers or business partners must be selected to avoid any risk of implied dishonesty or incorrectness on the part of the recipient. In the event of any doubt, the recipient is to be asked to obtain prior approval from his/her superior. If the recipient is reluctant to do so, the inevitable conclusion to be drawn is that the person concerned personally believes receiving the item to be incorrect.

Employees who conclude contracts with consultants, intermediaries, agents or comparable third parties must ensure that they do not offer or grant any unjustified advantages. Regardless of circumstances, offering cash or cash equivalents is prohibited.

### 4.2.2 DEMANDING AND ACCEPTING BENEFITS

No employee may use his/her official position to demand, accept, obtain or be promised advantages. Employees are prohibited from accepting money or other gifts for official purposes or directly or indirectly turning to or obtaining benefits from third parties. The acceptance of smaller gifts in kind up to a value of CHF 300.00 is excluded from this scope. Employees are prohibited from claiming or accept for themselves any personal compensation or fees, commissions or other indemnities resulting from transactions or business in which the Bank is involved.

When accepting any gifts or favors, employees must always observe the limits imposed based on local customs, laws or regulations. All gifts and favors are also accorded to all employees collectively and shall be allocated or divided accordingly by the Executive Board.

### 4.2.3 SPECIFIC RULES FOR THE AWARDING OF CONTRACTS

Those submitting bids for a contract tender have the right to expect fair and unbiased examination of their bids on our part. Employees involved in awarding contracts must observe the following rules in particular:

- Such employees must inform their superiors immediately of any personal interest that might exist connected with the performance of their official duties.
- Suppliers must not be unfairly favored or hindered when contracts are being competed for.
- Invitations from business partners or customers may only be accepted if the occasion and scope of the invitation are appropriate and refusing such invitation would contravene the requirement to show courtesy.
- Gifts from business partners are to be rejected and returned, unless they constitute insignificant and occasional gifts of low value.
- No employee may have private orders executed by companies with which he/she has business dealings if there is any possibility of he/she benefiting from the same.

### **4.3 DONATIONS**

As a successful company, BENDURA receives requests for donations from various organizations, institutions and associations on a case-by-case basis.

The following rules apply when allocating donations:

- Requests for donations from individuals are to be rejected in principle.
- Payments to private accounts shall be permitted only in exceptional and justified cases.
- Under no circumstances may a donation be made to any persons or organizations with anything less than an unblemished reputation or with objectives that are incompatible with those of BENDURA.
- All donations must be transparent. The recipient of the donation and the actual use made by the recipient must be known. There must be scope to account for the reason for the donation and its intended use at any time.
- Where possible, donations should be tax-deductible.

### **4.4 PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING**

Compliance with all laws to prevent money laundering and terrorist financing has top priority.

This is why we strive to work solely with reputable clients who conduct exclusively legal business activities and for whom the legality of assets is beyond doubt. This is also why we adhere to the risk-based "Know Your Customer" due diligence process and have also implemented an appropriate approach to prevent, detect and report suspicious transactions.

### **4.5 ECONOMIC SANCTIONS AND EMBARGOES**

Business relationships with partners dealing in goods, technology or financial services subject to sanctions or embargoes are only permitted provided they are conducted in strict compliance with the legal provisions relating to such sanctions or embargoes. To comply with these laws, we have established appropriate policies, procedures and internal controls and committed all employees to assume their responsibility to comply with the same.

### **4.6 INSIDER TRADING AND MARKET ABUSE**

Violations of the provisions to prevent insider trading and prohibit market abuse will not be tolerated and may result in civil or criminal penalties as well as termination of employment. In addition, such breaches can seriously damage our reputation. Therefore, in the event that important and non-public information becomes available about companies, trading of securities in such companies is strictly prohibited.

### **4.7 RESTRICTIONS**

In addition to sanctioned countries, BENDURA has a list of "countries with high risk" (so-called no-go or risk country list) as well as a list of industries and services within which no business relations can be engaged.

With regard to other countries and industries, exceptional management approval is required after undergoing an intensive approval procedure.

In particular, however, we also refrain from the following business relationships or services:

- Business relationships with domiciliary banks (shell banks) pursuant to Art. 2 para. 1 subpara g DDA and financial institutions allowing domiciliary banks to use their accounts and securities accounts as well as non-regulated financial institutions;

- Offering downstreaming/nesting for domestic and foreign financial institutions as well as for Money Service Business (MSB) / Money or Value Transfer Service (MVTs) <sup>1</sup>.

## **5 AVOIDANCE OF CONFLICTS OF INTEREST**

### **5.1 PRINCIPLE OF AVOIDANCE**

BENDURA makes it a top priority to ensure its employees do not become involved in any conflicts of interest or loyalty during their work. Such conflicts can arise when an employee works for or is involved in another company. Accordingly, the principle of avoiding any conflicts of interest applies.

### **5.2 NON-COMPETITION CLAUSE**

Operating a company or direct / indirect participation in a company which competes with BENDURA, wholly or partially, is prohibited for employees - unless otherwise stipulated in the employment contract or unless an agreement to the contrary has been concluded.

Prior written permission is required in the case of participation in a company that is a business partner of BENDURA. Permission is granted by the Managing Board and documented in the personnel file. Permission is not granted or can be withdrawn again if the employee is involved with the respective company on official business.

An employee must inform a member of the Board of Management in writing of any participation by close relatives in a competing company or any other of the aforementioned companies if aware of the same and details must also be documented in the personnel file.

### **5.3 SIDELINE ACTIVITIES AND POLITICAL APPOINTMENTS**

BENDURA adopts a fundamentally positive attitude toward active participation in politics and the assumption of political office.

However, the Board of Management must be notified in advance and give written approval in advance for any paid secondary employment or the assumption of political office. Secondary employment may be prohibited if it leads to any impairment of work performance, contravenes any assigned work duties in the company or if there is a risk of any conflict of interests.

## **6 HANDLING OF FACILITIES AND INFORMATION**

### **6.1 USE OF FACILITIES**

Office equipment and facilities (e.g. telephones, photocopiers, Pcs including software and Internet/Intranet etc.) may only be used for business purposes. Exceptions and, where applicable, payments are governed by employee or IT regulations, both of which are issued by the Board of Directors. Under no circumstances may information be retrieved or passed on which incites racial hatred, glorification of violence or other criminal offences or includes content which is sexually offensive in the context of a specific cultural background.

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<sup>1</sup> MSB/MVTS are financial services which involve accepting cash, checks, other monetary instruments or other stored value media and making payments of corresponding amounts of money in cash or any other form to a beneficiary via communication, message or transfer or through a clearing network to which the MSB/MVTS provider belongs. Transactions carried out by these providers may involve one or more intermediaries and a final payment to a third party and involve new payment methods. These services are sometimes linked to specific geographical regions and described using various terms, including "hawala", "hundi" and "pine trees". MSB/MVTS providers "offer similar services" to correspondent institutions when acting as intermediaries for other MSB/MVTS providers or accessing banking or similar services through the account of another MSB/MVTS customer of the Bank.



No employee is permitted to make records, files, images, sound documents or reproductions without the consent of his superior, unless this is directly related to his professional activity.

## **6.2 RECORDS AND REPORTS**

Open and effective cooperation depends on ensuring correct and truthful reporting. This applies equally to relations with customers, business partners, employees, the public and government agencies. All records and reports made internally or given externally shall be accurate and truthful. In line with the principles of proper accounting, data collection and other records must always be complete, accurate, timely and system-compliant. The requirement to provide truthful information also applies to expense reports.

## **6.3 CONFIDENTIALITY, SECRECY AND DISCRETION**

All internal BENDURA matters which have not yet been publicly disclosed shall be kept confidential. These include, for example, details concerning the organization of the company and its facilities as well as internal reporting figures. In addition, employees are obliged to maintain secrecy regarding matters entrusted to them and any other facts of which they become aware in their professional capacity, secrecy of which is in the interests of the customer.

The Bank shall take all necessary administrative, organizational and technical measures to ensure discretion when collecting, processing and storing client data.

In addition, customer data shall only be disclosed with the consent of the customer or where statutory disclosure obligations apply.

## **6.4 DATA PROTECTION AND DATA SECURITY**

Access to the intranet and Internet, the electronic exchange of information and dialog and electronic business transactions are all crucial prerequisites to ensure the effectiveness of each and every one of us and for business success as a whole. However, the advantages of electronic communication are linked with risks when it comes to protecting privacy and data security. An important component of IT management, management tasks and the behavior of each individual includes taking effective precautions against these risks. More detailed provisions are contained in the Directive on Information Security.

Personal data may only be collected, processed or used to the extent necessary for specified, explicit and legitimate purposes. High data quality and technical protection against unauthorized access must be guaranteed. The use of data must be transparent for data subjects and their rights of access and rectification and, where appropriate, objections, blocking and deletion must all be respected. To monitor these requirements, the Board of Directors appoints a data protection officer in accordance with the DSG and DSV, who is also responsible for contact and coordination with the data protection office.

# **7 ENVIRONMENT, SOCIETY, SAFETY AND HEALTH**

## **7.1 ENVIRONMENT, SOCIETY AND TECHNICAL SAFETY**

Protecting the environment and conserving its resources are top corporate priorities. Environmental management ensures compliance with the law and sets high standards for the same. Every employee, regardless of location, must contribute by demonstrating exemplary performance.

Our company is committed to shared responsibility for general public concerns.

## **7.2 OCCUPATIONAL SAFETY**

Responsibility toward employees and colleagues requires optimum precautions against accident risks. This applies to the technical planning of workplaces, facilities and processes as well as safety management and personal behavior in everyday work. The working environment must meet the requirements of a health-oriented design.

Every employee must be constantly mindful of safety.

## **8 COMPLAINTS AND ADVICE**

Each employee may submit a personal complaint to his/her superior, to any member of the Board of Directors or any other person/office designated for this purpose, or highlight circumstances that indicate a violation of the Code of Conduct. The matter will be thoroughly investigated and, where appropriate, appropriate action will be taken. All documents will be kept confidential and no retaliation of any kind whatsoever will be tolerated.

Employees should optimally exploit any internal scope for mediation.

## **9 IMPLEMENTATION AND CONTROL**

The management of BENDURA actively promotes the broad communication of the Code of Conduct and ensures its sustainable implementation. Compliance with the law and the Code of Conduct must be checked regularly within all organizational units of BENDURA.

This Code of Conduct was approved by the Executive Board at its meeting on 11.14.2018 and comes into force immediately.