

RISK POLICY

Anti-corruption

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1 Management summary

1.1 MANAGEMENT SUMMARY

An important condition for de Volksbank N.V. (hereinafter referred to as 'de Volksbank' or 'the Bank') to properly implement its strategy, Manifesto and shared value is that de Volksbank, its employees, collaboration partners and customers are not involved in corruption. Corruption creates unfair competition in the economy, distorts public trust and damages de Volksbank's integrity.

De Volksbank wants to prevent the bank, its employees and its customers from engaging in corruption. De Volksbank is taking adequate measures to this end. Every sign of corruption is adequately dealt with and followed up with an appropriate response.

This Risk Policy (RP) describes the management measures taken by de Volksbank to prevent the bank and/or its employees and customers from engaging in corruption.

De Volksbank (and *ASN Beleggingsinstelling Beheer B.V.*, ABB) is obliged to pursue adequate policies that guarantee operational integrity under the Financial Supervision Act (*Wet op het financieel toezicht*, Wft), the Decree on Prudential Rules under the Wft (*Besluit prudentiële regels Wft*) and the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (*Besluit Gedragtoezicht financiële ondernemingen Wft*)

Additionally, de Volksbank is not only bound by Dutch legislation in which bribery of public officials and persons not being public officials is made punishable, but the bank is also formally bound to comply with UK legislation, i.e. the Bribery Act, and/or US legislation, i.e. the Foreign Corrupt Practices Act.

2 Policy elaboration

2.1 OBJECTIVE

This document describes the RP and associated responsibilities with regard to the way in which de Volksbank wants to manage corruption risk and prevent the bank and/or its employees from engaging in corrupt behaviour, either directly or indirectly, or via customers and/or collaboration partners. In executing these responsibilities, de Volksbank takes into account (inter)national rules and regulations, in addition to its own Manifesto and shared value ambition.

2.2 SCOPE

This RP is applicable to de Volksbank, including all legal entities that form part of de Volksbank.¹ Within de Volksbank's group structure, *ASN Beleggingsinstelling Beheer B.V.* (ABB), an independent legal entity, has its own AIFM and UCITS licences issued by the Netherlands Authority for the Financial Markets (AFM). Therefore, this RP also applies to ABB, umbrella fund *ASN Beleggingsfondsen AIF N.V.*, umbrella fund *ASN Beleggingsfondsen UCITS N.V.*, the underlying funds/pools (*ASN Microkredietpool* in particular) and the underlying investments/clients and third parties that carry out activities for and on behalf of ABB on the instruction of ABB.

Any reference in the text below to 'de Volksbank' also refers to ABB, unless otherwise indicated.

The policy also applies to:

- members of the Board of Directors of de Volksbank
- members of the Supervisory Board of de Volksbank
- all permanent employees and all temporary employees (such as agency staff and/or self-employed persons) of de Volksbank
- members of the Supervisory Board of *ASN Beleggingsfondsen AIF*
- third parties with which de Volksbank has entered into a collaboration agreement, including the RegioBank's Independent Advisers and SNS Franchisees.

Any reference in the text below to 'employees' also refers to the aforementioned employees, including members of the Board of Directors and Supervisory Board.

2.3 MOST IMPORTANT DEFINITIONS

Corruption is a collective term which, in addition to bribery, includes extortion and unauthorised manipulation, regardless of whether the recipient, extortioner or instigator of the bribe is a civil servant, politician or private person or not. Corruption also includes laundering the proceeds of corruption.

Bribery is persuading someone to do or omit to do something by offering them gifts, services, relationship management or promises with the aim of gaining unfair business advantage, regardless of whether the bribed official or private person will act in conflict with his duties or not.

A **conflict of interest** indicates a situation in which a person serves several interests that may influence each other in such a way as to compromise his/her integrity in respect of one of those interests.

¹ This includes all brands, business units and subsidiaries in which de Volksbank has a majority interest, or in which de Volksbank exercises decisive influence (has management control).

2.4 SHARED VALUE

To achieve its mission as set out in its Manifesto, de Volksbank has the ambition to work on the basis of the principle of shared value, which focuses on optimising the shared value of customers, employees, society and the shareholder. This RP contributes to the optimisation of shared value as follows:

 CUSTOMERS	Customers are protected from the negative impact of corruption as much as possible by mitigating corruption risks and limiting possible damage.
 SOCIETY	By implementing this RP, de Volksbank gives a strong signal to society that the prevention and control of corruption is a top priority for the bank; after all, society benefits from a bank that does not tolerate corruption.
 EMPLOYEES	This RP gives employees and departments more – formal – guidance with regard to controlling corruption risks.
 SHAREHOLDER	The shareholder benefits from a bank that retains or increases its value by covering risks of corruption.

2.5 REGULATORY FRAMEWORK

De Volksbank is bound by national and international regulations. Bribery of public officials and persons not being public officials is punishable under the Dutch Criminal Code.² De Volksbank, its employees and/or collaboration partners run the risk of committing these offences.

The Financial Supervision Act (*Wft*) contains rules with regard to ensuring operational integrity and control and pursuing a policy in this respect.³ The aim of these rules is to maintain confidence in de Volksbank and the financial markets. Detailed rules on operational integrity are set out in the Prudential Rules Decree (*Besluit prudentiële regels, Bpr*), which is applicable to de Volksbank, and the Decree on Conduct of Business Supervision of Financial Undertakings under the *Wft* (*Besluit gedragstoezicht financiële ondernemingen Wft, Bgfo*), which is applicable to ABB. It follows from this that de Volksbank (and ABB) should systematically analyse potential risks so that relevant risks can be adequately managed. To this end, de Volksbank (and ABB) uses the so-called Systematic Compliance Integrity and Risk Analysis (SCIRA).⁴

Moreover, de Volksbank is bound by UK regulations, i.e. the UK Bribery Act (UKBA), and US regulations, i.e. the Foreign Corrupt Practices Act (FCPA).

The UKBA creates the following four offences of bribery:

1. Bribing another person;
2. Requesting or receiving a bribe;
3. Bribing a foreign official;
4. Failing to take adequate measures to prevent bribery;

The act applies to all UK-based companies and individuals, as well as to companies and individuals doing business in the UK.

The FCPA has two primary provisions:

1. Ban on paying bribes to foreign officials (to further business deals);
2. Accounting provisions (only for USA-listed companies (see 1 below)).

The law is applicable to:

1. USA-listed companies that have issued securities;
2. Directors of Dutch companies who are a US citizen;
3. Bribery within or from the US by Dutch companies and/or directors (e.g. making telephone calls on US territory to effect bribery).

De Volksbank is formally bound by these laws because of their extraterritorial applicability.

² Articles 177, 178, 178a, 328ter, 363, 364 and 364a of the Dutch Criminal Code.

³ Articles 3:10 and 3:17 of the *Wft* are applicable to de Volksbank, and articles 4:11 and 4:14 of the *Wft* are applicable to ABB.

⁴ For de Volksbank, this obligation ensues from Article 10 of the *Bpr* and for ABB from Article 17 of the *Bgfo*. This obligation also ensues from Article 2b of the Money Laundering and Terrorist Financing (Prevention) Act, *WWft*.

2.6 RISKS

De Volksbank runs the risk of becoming (in)directly involved in corruption. This may lead to reputational, legal and financial damage. The risk run by de Volksbank lies, on the one hand, in the actions of individual employees and, on the other hand, in business relationships with third parties. The latter may include customers who purchase products or services from the bank and who are active in certain sectors and countries that pose an increased risk of corruption.

Given the nature of its activities, ABB also runs a higher risk of corruption as a result of (non-exhaustive list):

- customer relationships (investments) through *ASN-Novib Microkredietfonds* because of the specific characteristics of this fund;
- relationships with third parties who perform activities for and/or on behalf of ABB (i.e. outsourcing partners);
- participations in deposit-taking financial institutions within the equity portfolio.

Examples

In a wider sense, corruption includes the following activities (non-exhaustive list):

- the processing of funds that are known, or reasonably suspected, to have been obtained through bribery or corruption, or that are intended to bribe someone or to carry out a corrupt transaction;
- accepting gifts or promises as a result of what you have done or omitted to do, or will do or omit to do in performing your duties and concealing this from de Volksbank contrary to good faith;
- secretly offering gifts or promises to a person in response to what this person has done or omitted to do, or will do or omit to do.

2.7 EXISTING POLICY MEASURES

2.7.1 Due diligence and screening

In order to prevent the risk of becoming involved in corruption, de Volksbank will subject customers, suppliers and third parties with whom/which the bank enters into a business relationship to appropriate due diligence or screening. To this end, reference is made to the **Customer Acceptation, Monitoring and Review (hereinafter: CAMaR)**, the **Purchasing Policy** and the risk policies on **Independent Adviser and Franchisee, Partnerships** and **Outsourcing**. Franchisees' employees and independent advisers will be screened in accordance with the **Screening policy for franchisees (and franchisees' employees) and independent advisers**.

ABB uses all aforementioned policy frameworks (if relevant) as well as its own **Specific Policy CAMaR and Sanctions Compliance Regulations AMP** and its own specific **Outsourcing Policy (ABB)**.

2.7.2 Monitoring payment flows and customers

De Volksbank has measures in place to prevent the bank from maintaining corrupt business relationships or facilitating payments. To this end, de Volksbank continuously monitors customers and transactions. These transactions are monitored on the basis of the Money Laundering and Terrorism Financing (Prevention) Act (*Wwft*). Transaction monitoring sees to all forms of funds transfers, including transactions at home and abroad. Monitoring payment transactions enables de Volksbank to analyse a customer's transaction profile, to compare this with other customer data and to examine this information in relation to each other. In this way, the bank can detect corrupt payments and customers. For more details, reference is made to the CAMaR Policy and the Red Flag list.

2.7.3 Conflicts of interest

Conflicts of interest can be a form of corruption. Conflicts of interest may arise at work or in personal life. The Conflicts of Interest Risk Policy describes the responsibilities relating to the prevention and management of conflicts of interest.

ABB also has its own specific ABB Conflicts of Interest Policy and maintains a Conflicts of Interest Register. ABB's Compliance Officer maintains the register, which contains (potential) conflicts of interest as well as associated risk classifications and management measures. This register is updated at least quarterly and sooner if necessary. If a conflict of interest is in any way related to (potential) corruption, this will also be recorded in the register and monitored.

2.7.4 Outside business activities

De Volksbank applies the rule: "keep your professional and personal life separate and avoid any appearance of a conflict of interest". Outside business activities may pose a conflict of interest or mere appearance thereof. Such activities are, therefore, only allowed if they do not conflict with de Volksbank's interests. Employees should discuss any such activities with their manager so as to determine whether or not there is a conflict of interest or appearance thereof. Employees require written permission from their manager for outside business activities at all times. The rules with regard to these activities are set out in de Volksbank's Code of Conduct entitled '**Common Sense, Clear Conscience**'.

2.7.5 Exercising restraint in giving and accepting business gifts

As giving and accepting business gifts may encourage corruption, such practices are regulated. Business gifts may be accepted (and given) as a token of good relations or participation in a network of business relationships, provided they do not impact that person's independence and are in proportion to the relationship. Detailed rules on business gifts can be found in de Volksbank's Code of Conduct entitled '**Common Sense, Clear Conscience**'.

2.7.6 Incidents (malpractices)

De Volksbank wants to prevent the bank, its employees and customers from becoming involved in corruption and has taken appropriate measures to this end. Every sign of corruption is properly addressed and followed up with an appropriate response.

As part of integrated risk management (RMP Non-Financial Risk), de Volksbank has a procedure for reporting and dealing with incidents (malpractices). Employees also have the option to report malpractices anonymously (refer to the Complaints and Incidents Regulations). If a report of suspected corruption is received, it will be investigated by the Compliance, Behaviour Employee Integrity & Crime department. If the seriousness of the incident gives rise to do so, de Volksbank will inform the relevant supervisory authorities (AFM, DNB or ECB) and report the incident to the police. If an employee is involved in the malpractice, the bank may also have to inform the Bank Disciplinary Law Foundation. The rules to apply and impose sanctions on employees are laid down in the Complaints and Incidents Regulations.

2.7.7 Corporate culture and awareness

De Volksbank takes responsibility to ensure controlled and ethical business operations and corresponding conduct and culture. De Volksbank stands for a bank with a workplace culture where employees feel comfortable, for an open and secure environment in which staff is permitted to make mistakes and in which we learn to make dilemmas discussable.

By setting the 'tone at the top', the Board of Directors sets a good example by its words and deeds to nurture a culture that does not tolerate corruption. Employees are familiar with the rules of conduct and know what kind of conduct is expected of them. This is partly ensured by an annual e-learning module and messages on iD (intranet).

Guided by our Manifesto, we help build a society that allows people to live a life full of confidence and optimism. Our company culture and methods safeguard common principles and the achievement of our objectives.