

VP Bank Group

Code of Conduct



Preamble

VP Bank is committed to its vision of being recommended because of generating enthusiasm by offering unique client experiences. This requires a strong client focus and relationships built on trust.

VP Bank rises to these challenges by voluntarily and unequivocally acting in accordance with ethical standards and basing its actions on a solid foundation of upright business principles.

VP Bank therefore embraces a contemporary interpretation of corporate responsibility and engages in sustainable business activities. It maintains a constructive and open dialogue with shareholders, clients and employees as well as other stakeholders within its corporate and social environment and takes their views into account in its business decisions. By doing so, it creates added value for all parties concerned.

The Code of Conduct reflects these corporate objectives. It defines the ethical principles of VP Bank in a binding document that serves as a manual for proper conduct. The Board of Directors and Group Executive Management of VP Bank endorse this Code of Conduct unreservedly. The Code of Conduct applies to the entire VP Bank Group and it is expected that Members of the Board of Directors, Members of Group Executive Management and all employees act strictly in conformance with its provisions.

Principles of conduct

1.1. Business integrity and the handling of reputational risks

VP Bank specialises in providing support to intermediaries and private clients. It creates and maintains long-term relationships based on trust and supports its clients in a competent, personal and uncomplicated manner.

Ensuring the satisfaction and security of clients is its top priority. VP Bank does not utilise aggressive and disingenuous advertising measures. It does not conclude any transactions with clients who it knows or must assume will be unable to meet the resulting obligations. This applies, in particular, to the issuing of loans.

All employees of VP Bank carry out their duties in compliance with the applicable legal requirements, the Bank's internal rules and the provisions of the relevant banking sector associations and organisations. In particular, this includes safeguarding the privacy of clients, fulfilling the duty of care and complying with the requirements defined by supervisory authorities and financial regulators.

When interacting with clients, shareholders, professional market participants (banks, brokers, intermediaries, etc.) and other VP Bank stakeholders, all employees are honest, fair and professional. They avoid transactions that could endanger the reputation of VP Bank and inform their supervisors, Group Compliance or Internal Audit in cases of doubt. Employees only make promises when they them-

selves are certain and are justified in being certain that the promise can be fulfilled.

VP Bank does not engage in anticompetitive practices and in particular does not conclude any such agreements with third parties.

1.2. Tax aspects

VP Bank pursues a strategy centred on the management of tax-compliant assets and is very exacting about compliance with the applicable tax laws. It lends no support to clients or employees in any activities aimed at the circumvention of their tax obligations.

VP Bank pursues a tax strategy that is geared towards long-term value creation.

VP Bank does not utilise aggressive tax practices of any kind. In particular, it makes sure that transfer prices for services within the Group are based on the market value (arm's-length principle). VP Bank does not adopt structures that lead to taxation in low-tax countries without performing corresponding business activities at the location in question.

1.3. Transnational business activities

VP Bank complies with the regulatory provisions of the countries in which it conducts transnational business. This applies in particular to the range of products offered and the initiation of new business relationships.

VP Bank employees know and understand the relevant directives in this regard and strictly comply with them.

1.4. Discretion in the handling of client data

VP Bank attaches utmost importance to discretion in dealing with clients and treats all client data with the requisite confidentiality. This applies not only to third parties but also to those employees who do not require access to the respective client data in the performance of their duties.

VP Bank takes all administrative and technological measures necessary to ensure confidentiality in the compilation, processing and storage of client data.

Any disclosure of client data takes place only with the consent of the client or on the basis of legal disclosure obligations.

1.5. Prohibition of insider trading and the exploitation of insider information

VP Bank is committed to handling insider information in compliance with the law. VP Bank assesses whether information entrusted to it constitutes insider information. If so, VP Bank ensures that it is used solely for the proper intended purpose of the original supplier of the information. VP Bank only allows access to insider information in accordance with the applicable legal requirements and internal company rules.

1.6. Prevention of money laundering, terrorist financing, organised crime, corruption and bribery

VP Bank supports the fight against money laundering, terrorist financing, organised crime, corruption and bribery.

In doing so, VP Bank upholds its due diligence obligations in keeping with the applicable legal requirements and internal rules when conducting financial transactions. It is committed to the “know your customer” principle. VP Bank monitors its business dealings with due regard for the potential risks, and documents this in a traceable manner. Employees may not solicit, accept, offer or grant any kind of inducement that is not in line with the customary compensation for services rendered or to be rendered in their dealings with fellow employees, clients, suppliers or other business partners. Benefits defined as permissible according to the provisions of point 1.11. are exempted in this regard.

1.7. Protecting the interests of shareholders

VP Bank protects the interests of its shareholders and makes every effort to achieve an above-average and sustainable return on their investments.

VP Bank accomplishes this by conducting its business in a profit-oriented manner and pursuing a growth strategy that never loses sight of the Bank’s solid capital base. In keeping with its comprehensive policy of sound corporate governance, VP Bank takes a confident, disciplined and circumspect approach to dealing with business risks. VP Bank provides its shareholders with transparent financial information.

1.8. Communication with the public

VP Bank communicates with the general public, in particular with authorities, non-government organisations, associations, societies, etc., in an objective, transparent and timely manner with due regard for the accuracy of the content.

Any and all public dissemination of VP Bank-related information, especially to media representatives, is incumbent solely upon those officers of VP Bank who are entrusted with this task. In particular, employees may not divulge information regarding client relationships, matters relating to individual employees, ongoing investigations, projects or other business secrets unless they are legally compelled to do so in connection with the disclosure obligations of a relevant legal proceeding.

1.9. Terms and conditions of employment and employee development

VP Bank views the individuality of employees with respect to their gender, age, origin, education and personality as a strength. When appointing new employees, VP Bank incorporates the promotion of this diversity in its considerations.

VP Bank offers fair and socially responsible employment conditions as well as a pleasant work environment. It ensures that employees’ health is not jeopardised in the workplace and contributes to workplace health promotion. At VP Bank, all employees enjoy the same occupational opportunities and chances for promotion. The evaluation of employees’ performance is conducted in a fair, objective and justifiable manner.

With its own best interests in mind, VP Bank supports the continuing professional education of its employees, who demonstrate their commitment by making a personal contribution.

1.10. Interaction between employees

In their dealings with one another, employees respect the dignity, personality and private sphere of each and every colleague. Their interactions are characterised by mutual respect, fairness, support, professionalism and openness. In their work environment, employees refrain in particular from any form of discrimination, be it on the grounds of age, disability, ethnic or national origin, gender, marital status, political affiliation, race or religious beliefs.

1.11. Dealing with conflicts of interest and inducements

In their daily work, employees uphold the legitimate interests of VP Bank. If the private interests of an employee are actually or potentially at odds with those of VP Bank, its clients, professional market participants (banks, brokers, intermediaries, etc.) or other VP Bank stakeholder groups, the employee concerned immediately informs his or her direct supervisor and Compliance. VP Bank takes appropriate steps to prevent such conflicts of interest from arising or to resolve any such conflict that may have developed.

In the course of their professional duties, employees may not accept monetary rewards, gifts imposing an obligation on the recipient or other inducements from other employees, clients, professional market participants (banks, brokers, intermediaries, etc.) or companies of which VP Bank is itself a client. Exceptions are clearly regulated, are dependent on the approval of the relevant internal units and must be reported to Compliance. Violations are sanctioned.

Any benefit offered by VP Bank may not compromise, or be perceived to compromise, the professional independence of the recipient. This applies particularly to holders of public office, representatives of public institutions and civil servants.

1.12. Protection of VP Bank assets

Employees respect and protect the property rights of VP Bank. They treat the equipment and infrastructure of VP Bank with care and do not misuse these assets for activities other than VP Bank business.

1.13. Social commitment

VP Bank wants its actions to have a positive impact on society and environment. It fulfils its social responsibility both in its home market of Liechtenstein and in the international markets and is committed to philanthropy, in particular through the granting of donations and the sponsorship of selected foundations, organisations and associations in the fields of sports, culture, society and climate protection.

Through the endeavours of the VP Bank Foundation, VP Bank provides targeted support to institutions and individuals that are extremely prominent in the areas of the environment, arts, education, science, culture and charitable work.

1.14. Environmental protection

VP Bank and its employees treat natural resources with the greatest possible care.

In the course of business decisions, including those with respect to the awarding of contracts to suppliers, all relevant environmental aspects are incorporated in the decision-making process and VP Bank endeavours to keep its environmental footprint as small as possible. Among others, it takes measures to reduce energy, water and paper consumption as well as to prevent waste and maintains environmental and mobility management systems.

2. Implementation

2.1. General

The Code of Conduct can be accessed on the intranet at any time by all employees. Upon being appointed, employees are provided with a copy of the Code of Conduct. All employees are familiar with and understand this Code of Conduct.

All employees actively support the implementation of the Code of Conduct within VP Bank. If an employee has doubts as to whether his or her conduct or that of others is in compliance with the Code of Conduct, he or she is to consult their direct supervisor for guidance.

The Board of Directors, Group Executive Management and all other managers are setting a good example by complying with the Code of Conduct and exemplifying its principles in the performance of their duties. One of their management tasks is to impart the core values and basic principles embodied in the Code of Conduct to their direct subordinates and demand rigorous compliance with its provisions.

The Group Executive Management bears ultimate responsibility for the implementation of the Code of Conduct.

2.2. Violations and sanctions

In addition to non-compliance with any of the basic principles set forth above, it is also considered a breach of the Code of Conduct if

- employees tolerate violations of the Code of Conduct;

- employees hinder the clarification of a purported breach of the Code of Conduct, in particular by refusing to supply essential information to the responsible bodies despite being called upon to do so; or
- managers endorse or tolerate a violation of the Code of Conduct or discriminate against employees who have duly reported such a violation.

Breaches of the Code of Conduct have a negative effect on the assessment of an employee's performance and can be penalised with disciplinary action and other consequences under labour law, and even possibly result in termination of the employment relationship.

2.3. Reporting of violations

Employees who identify a suspected violation of the Code of Conduct are required to immediately report it to their direct supervisor, Compliance, Group Internal Audit or the local whistle-blowing office. Supervisors forward the report to Compliance or Group Internal Audit.

Employees who in good faith inform the responsible office of a suspected violation need not fear any personal disadvantages as a consequence. This applies even in cases where it transpires that no violation has occurred. Confidentiality is assured, subject to the applicable legal provisions.

2.4. Evolution of and training on the Code of Conduct

The perceptions of ethical behaviour in our society are subject to ongoing change. VP Bank is therefore committed to reviewing the Code of Conduct regularly and amending it if necessary.

All employees receive periodic training with respect to compliance with the Code of Conduct.

This Code of Conduct was adopted by the Board of Directors on 23 May 2019. It is effective as of 1 June 2019. It replaces the Code of Conduct of 1 January 2014.