

POLICY ON THE CONFLICT OF INTERESTS

1. Introduction

The companies of the Piraeus Bank Group provide a wide range of investment and banking services. In the framework of the multifarious activity of the Group it is possible for circumstances to be created from which result situations of conflict of interests, either unexpectedly or on a repeated basis. In the cases during which the situations of conflict of interests might prove to be damaging to the interests of its clients, the Group has as its main and basic goal the ascertaining and management of those situations according to the provisions of the current regulatory framework including the provision of the Markets in Financial Instruments Directive (MiFID).

The present document states the Policy adopted by the Group in order to fulfil its obligations as to the preservation and application of effective management procedures for the ascertainment, management and supervision of existing and possible conflict of interest situations.

For the purposes of the present Policy on the Conflict of Interests, the term 'Group' and 'Piraeus Bank Group' include the Piraeus Bank and the companies of its Group which provide investment and ancillary services under the meaning of L. 3606/2007 or other laws of member-states of the European Union with which the European Directive MiFID was incorporated in those member-states. The companies of the Group covered by the present Policy are included in Appendix A. The terms 'Group' and 'Piraeus Bank Group' include as to the application of the present the branches of the Bank or companies of the Group abroad. The term 'Bank' refers to the Piraeus Bank (Cyprus) Ltd.

The Policy of the Group is strictly followed by the Piraeus Bank (Cyprus) Ltd as well taking under consideration the conflict of interests that might come up both in the local but also in the Group level and taking the appropriate preventive measures.

The aim of the Policy is to offer guidance to the members of the Board of Directors, executive staff and employees of the companies of the Group as to how the conflicts of interests are defined, how can they be discovered and which procedures must be followed when these conflicts are taking place. In particular, the aim of the Policy on the Conflict of Interests is to map the way by which the Group:

- Can locate situations during which conflict of interests potentially involving material danger to the interests of the client might come up
- Adopts appropriate procedures, mechanisms and systems for the management of the conflicts in question, and
- Designs and applies procedures and systems which aim to prevent possible damages to the interests of the clients from any possible cases of conflict of interest.

2. Framework for the application of the Policy – Definitions

The present Policy is applied to all activities and services provided by the companies of the Group and regulated by the provisions of the Markets in Financial Instruments Directive (MiFID) and on all of their staff, with special reference to the staff occupied in the fields of investments, sales and marketing.

For the purposes of the present Policy, the Group clients include:

- The existing clients of the Group.
- The new customers, and
- The older customers, who keep their credit or other activities

Furthermore, for the purposes of the present Policy, 'covered persons' are:

- The directors, the shareholders who have a participation percentage or rights to vote equal or higher than 5% in the share capital of a company of the Group, the partners, members of the Board of Directors, the executive staff and tied agents of companies of the Group.
- The directors, shareholders, partners, members of the Board of Directors and executive staff of the tied agents of companies of the Group.
- The employees of companies of the Group and their tied agents, as well as any other natural person the services of whom are at the disposal and under the control of companies of the Group or their tied agent who also participates in the provision and exercise of investment services and activities of the Group.
- The natural persons directly involved in the provision of services in the Group or in a tied agent of theirs, in the framework of an agreement by external assignment with the goal of providing investment services and activities on behalf of the Group.

'Connected persons' to a covered person are the following:

- The wife/husband or the partner of this person who is like a wife/husband, according to the legislation in force then.
- Depended children and depended adopted children of the covered person
- The remaining relatives of the covered person who, during the date of the relevant personal transaction, lived, for at least one year, under the same family roof with the covered person.

Furthermore, in the present Policy 'personal transaction' is a transaction in financial instruments, which is performed by or on behalf of a covered person, provided that at least one of the following criteria is fulfilled:

- The covered person is acting outside the field of activities which he exercises under that ability.
- The transaction is performed on behalf of one of the following:
 - the covered person
 - any tied agent of the covered person
 - a person whose relationship with the covered person is such that the covered person has a direct or non-direct material interest which is affected by the result of the transaction, beyond the fee or commission fro the execution of the transaction.

For the purposes of the present Policy, 'financial analyst' is the covered person who performs the material part of the research in the field of investments.

Especially for the purposes of chapter 8 of the present Policy, 'research in the field of investments' is the research or other information which:

- i) Consists of or flows from, explicitly or non-directly, an investment strategy in relation to financial instruments or issuers of financial instruments, including any opinion in relation to the present or future value or price of such instruments.

- ii) Is destined for paths of communication or for the public.
- iii) Is characterised or described as research in the field of investment or with similar terms, or is presented as an objective or independent explanation of the matters included in the recommendation, and
- iv) If the recommendation in question was directed to a client it would not be a provision of investment advice.

Investment recommendations in connection to financial instruments, which do not fulfil the abovementioned criteria of objectivity and independency are considered marketing communication and should not include specific and clear declaration that they are an advertising announcement and that they have not been created according to the provisions for the securing of the independency of investment research. General recommendations (for example industries, categories of types of assets or types of financial instruments) are not considered investment recommendations.

3. Ascertaining conflict of interests situations

3.1 Definition of conflict of interests

Conflict of interests is defined as the conflict which rises during the provision of investment advice to a client in any area of activities of the Group, which can benefit the Group or another client for whom the Group acts for and might result in significant damages in the interests of the client to whom the investment service is provided.

3.2 Examples of conflict of interests

A conflict of interests might occur in cases where the Group or a covered person:

- Might have a financial gain or avoid financial damage at the expense of the client.
- Has, in relation to the performance of a service provided to the client or a transaction drawn up on behalf of the client, interest which is different from the interest of the client in that performance.
- Has a financial or other motive to favour the interests of another client or another group of clients at the expense of the interests of the client.
- Performs the same business activity as the client.
- Receives or will receive consideration from a third person related to the service being provided to a client, in the form of services, goods or money, beyond the usual commission or fee for the provision of the particular service.

4. Classification of conflict of interest cases

The present Policy covers the conflict of interests which might occur in the following cases:

- Conflicts between the interests of the Group and interests of a client or group of clients.
- Conflicts between the interests of a client or group of clients and the interests of another client or another team of clients.
- Conflicts between the interests of an employee or a group of employees of the Group or a covered person and the interests of the Group and/or its clients.
- Conflicts between the Bank and/or its clients and the Group.

5. Ascertainment, prevention and management of conflict of interest cases

The Group has adopted a series of organisational measures and procedures in relation to the different types of conflict of interest cases which have been defined, in order to avoid possible conflicts in the future and for it to be able to manage, control and prevent possible negative consequences in the interests of clients.

The Bank adopting the policy of the Group has applied similar measures and procedures for the different cases of conflict of interests both in a local and Group level.

5.1 Independence, separate supervision and distinction of operations

The Group is bound to apply policies and procedures, according to which the staff of every administrative unit will act independently as to the interests of the respective clients.

Since it is necessary, the Group takes organisational measures to ensure separate supervision and distinction of its staff operations in order to avoid the simultaneous implication of another client in different services or activities which might lead in conflict of interest situations or can possibly pose an obstacle to the correct management of those situations.

Additionally, the Group takes measures for the separate supervision and operational division of units of the Group which provided investment services to clients, the interests of whom might conflict with those of other clients (or group of clients) or with the interests of the Group.

5.2 Refusal to provide a service

In certain cases where the Group is already acting for a client, it is possible for the Group not to be able to act on behalf of another client, if it is obvious that a conflict of interest situation might occur which the Group cannot successfully manage. As a consequence, in cases where the Group cannot prevent or successfully manage a conflict of interest situation, it is possible that the Group will refuse to provide the requested service or to choose not to provide the particular service from the beginning.

5.3 Management of top secret/confidential information

Top secret information for the purposes of the present Policy is the internal or confidential information which concern an existing or possible client or financial instruments and is not available to the public.

5.3.1. Management of confidential information

The securing of the confidentiality and management of information received by the clients according to the current provisions in force is one of the main principles which characterise the activities of the Group.

The possibility of accessing confidential information is restricted to persons who need to know confidential information in the framework of their duties within the Group. In this way the abuse of the information in question is avoided as much as possible as well as possible situations of conflict of interest.

The abovementioned policy of the absolute necessary information is also secured by the software systems of the Group, which do not allow access to information which are not considered necessary for the performing of a certain activity. As a consequence, the employees only have access to the information/data which are considered necessary for the performing of their duties within the Group.

5.3.2. The application of Chinese Walls between the business units

By aiming for the protection and control of access to important information which are not available to the public, the Group applies a system of Chinese Walls between the business units and companies of the Group. The operation of this system does not include only the separation of data and the software systems, but also the physical separation of different units, so that the occupied persons in each unit do not have immediate physical access to the files or information which consists of the object of work of another unit. Through the establishment and application of Chinese Walls, the Group creates obstacles in the circulating of information in order to ensure that crucial information that a unit or company of the Group possesses is not used by people on another unit or company when that is not necessary for the execution of their duties within the Group. Furthermore, the Chinese Walls are the basic tool in the prevention of conflict of interest situations and in the prevention of internal transactions or manipulation of the market.

As a consequence, the application of the system of Chinese Walls provides the Group and its employees the possibility to offer clients investment services without being affected by other information possessed by the Group and could result in conflict of interests.

5.4 Policies and Procedures

The Group takes measures and applies policies and procedures for the ascertainment of means to face conflict of interest situations in relation to the following matters:

- Staff fees.
- Gifts and personal benefits.
- Personal transactions.
- Secondary activities and external employment.

5.4.1. Staff fees

The fee package of employees and executive staff of the Group includes the basic salary and bonus which is given according to the performance of the employee or director in relation to his/her personal goals and the total performance of the Group. The Group takes the necessary measures so that the fee, method of evaluation and assigned responsibilities not to encourage staff behaviour which might lead to situations of conflict of interests.

5.4.2. Gifts and personal benefits

The accepting and offering of gifts and other personal benefits is regulated by the relevant policies and procedures of the Bank, which are based on the policies of the Group and are designed in a way so that the use by a covered person of his position within the Bank or the Group for the purpose of gaining personal benefits for himself or person connected to him/her is avoided.

5.4.2.1. Gifts accepted by employees

The covered persons are allowed to accept gifts of value only in cases where the receiving of the gift is not unduly repeated and the benefit is small and almost of no value up to €80. The accepting of gifts in the form of money or financial instruments is forbidden regardless of the amount involved. Promotional gifts like office products which have the stamp of the company offering the gift are excluded from this prohibition.

If the covered person is not in a position to evaluate if the acceptance of a gift is in accordance with the Policy of the Group, he/she is obliged to ask for guidance from the Compliance Unit of the Bank.

5.4.2.2. Gifts offered to clients

It is allowed for gifts to be offered to the Group's clients under the condition that there is the relevant pre-approval of the appropriate management unit of the Group.

In cases where a covered person is not in a position to evaluate whether the offering of a gift is in accordance with the policy of the Group, he/she is obliged to ask for guidance from the Compliance Unit of each Covered Company.

Low value promotional gifts bearing the Group's logo for example office products are excluded from the abovementioned obligation to receive a pre-approval.

5.4.3. Personal Transactions

The Group has established policies and procedures for the supervision of staff transactions. According to these policies and procedures, the covered persons are not allowed to enter into transactions which:

- Are against the current legislation and regulations in force.
- Are distracting in relation to their duties as members of staff.
- Jeopardise the reputation of the Group.

Furthermore, it is forbidden for covered persons to use information classified as top secret for the entering into personal transactions. The covered persons are also obliged to ensure that the entering into personal transactions is not damaging the Group's clients. In relation to the entering into personal transactions by covered persons the following basic rules apply:

- Transactions in relation to shares found in the Restricted List of the Group are not allowed.
- Restrictions in short-term investments. The covered persons and their connected persons are obliged to avoid short-term investments.
- The exploitation of information relating to the investment intentions of a client is forbidden. If a covered person has information that the Group had received an order by a client or will enter into a transaction on behalf of a client, he/she is obliged to abstain from the entering into the respective transaction for same account, until the said order is executed or cancelled.

5.4.4. Secondary activities and external employment

The employees and executive staff of the Group are obliged to work exclusively for the Group during the whole duration of their employment contract. It is not allowed for any employee to work for another employer, regardless of whether its employment is accompanied by a fee or not, unless he/she has received the previous permission of the relevant management unit of each Covered Company. Furthermore, it is not allowed for employees or executive staff of the Group to accept any appointment as members of the Board of Directors of another company, unless they have received the previous permission of the relevant management unit or of Management or of the Board of Directors of each covered company.

5.5 Training and communication

The Group provides to all covered persons constant training and information in relation to matters of conflict of interests. More specifically, in relation to the training of staff, the following measures are adopted:

- The Group systematically raises the conscience of the employees in relation to conflict of interest situations, providing relevant information through an internal network, internal seminars, open conversations etc.
- The Group develops the staff's ability to define and manage conflict of interest situations through education and constant training which is provided to the staff from the relevant executive members of staff, special external partners and the Compliance Unit of each Covered Company.
- The training programmes and preparation of new employees include a special chapter which concerns matters of conflict of interests.
- This matter is mentioned in the 'Professional Conduct Code of the Piraeus Bank (Cyprus) Ltd.
- The Compliance Unit of the Bank directly contacts the covered persons in each case, when it is necessary, so that it is ensured that all covered persons acknowledge their obligations in relation to conflict of interest situations.

5.6 Supervision of conflict of interest situations

Having the aim of diagnosing conflict of interest situations on time, the Compliance Unit of each Covered Company of the Group applies designed procedures so that any possible conflicts occurring by the activities of the Group are isolated and dealt with within the required time frame. The conflict of interest situations are defined through the relevant procedures and are recorded in files, according to Chapter 9 of the present Policy. Additionally, the Compliance Unit examines conflict of interest situations of each covered company which might occur during the provision of new investment services or are connected with new investment products in collaboration with the current relevant units of the Group responsible for the design of new services/products. The Compliance Unit as well as the Group Management Compliance Unit also perform periodical checks on a constant basis for example:

- Management of personal accounts.
- Gifts and provisions.
- On time execution of clients' orders.
- Charges and commissions.
- Breaches and errors.

6. Notification of clients in relation to conflict of interest situations

In certain cases, where, despite the measures that have been put into place for the avoidance or management of conflicts of interests, it is thought not to be possible to sufficiently ensure the prevention or full management of conflicts of interests, the Group informs the clients before it proceeds with a relevant act on their behalf in relation to the nature and source of those conflict of interest situations. This update is performed through a steady medium provided that the Group's client has not consented in another way of communication and includes enough information, taking the characteristics of the client (retail-professional-eligible counterparty) under consideration, so that it is in a position to make a justified decision in relation to the provided investment or ancillary service in the framework of which the conflict of interests occurs.

7. Consideration

The Group has adopted measures and procedures in order to evaluate whether the receiving or paying consideration (fees or commissions or anything of non-monetary value) from or to the client or authorised agent of the client, as well as from or to third parties or their authorised agents is acceptable. According to the internal policies of the Group, acceptable consideration is consideration coming from the client or an authorised agent of the client as well as the consideration which are connected to reasonable fees which assist or are necessary in the provisions of investment services (for example filing expenses, settlement expenses, currency conversion expenses, fees or sources of supervisory authorities, legal fees etc).

Consideration from or to third parties or their authorised agents can only be acceptable provided that the client is previously notified in a clear and understandable way and so long as the following criteria are fulfilled:

- It is aiming to improve the quality of the provided service, and
- Does not stop the Group to comply with its obligation to serve the client's interests in the best possible way.

8. Research in the field of investments

The Group applies certain rules and organisational procedures in order to manage the conflicts of interests which might occur during research in the field of investments. The rules which apply to the staff involved in research in the field of investments (especially financial analysts) are the following:

- The supervision of employees which are involved in research in the field of investments cannot be performed by people who are occupied in other units of the Group whose operations might come into conflict with the objectivity of the provided investment research. More specifically, a person whose responsibilities and duties come into conflict with the interests of people who are informed about the research which has been performed by any unit or company of the Group in the field of investments cannot be responsible for:
 - The conducting of research in the field of investments.
 - The supervision of the daily activities of financial analysts.
 - The determination/approval of the salary of the persons conducting research in the field of investments.

- The employees who are involved in research in the field of investments are obliged to abstain from the drawing up of transactions in financial instruments with which the research might be related until the publication of the research.
- Financial analysts are obliged not to accept any financial motives and consideration in relation to the publication of the research.
- Financial analysts are obliged not to accept any fees or other benefits from the issuer of a product, financial instrument or service or from any other involved in the publication of the research and not to offer or accept consideration for the publication of a favourable research.
- It is not allowed for financial analysts to promise to any issuer of product that they will publish a favourable research.
- The employees who are involved in research in the field of investments are obliged not to enter into personal transactions in financial instruments which are related to the research, which are against the results and recommendations of the specific research.
- The covered persons involved in the performing of research in the field of investments ensure that no one can have access to a draft of the research before its publication.
- The Group provides financial analysts and generally to all covered persons who might be directly or indirectly connected to the research, with training for the recognition of conflict of interest situations that might especially occur during research in the field of investments. The executives of the relevant units for research in the field of investments provide, in collaboration with the Compliance Unit of each Covered Company, help and guidance to staff in case a conflict of interest situation occurs. Additionally, the covered persons involved in research in the field of investments are obliged to immediately inform their supervisors for every case they discover and which might lead to conflict of interests so that the necessary measures for the effective management and handling of these cases are taken on time.
- The abovementioned rules do not apply in cases where the research in investments which is published is made by other people or organisations under the following conditions:
 - The person or organisation which has performed the research in investments has nothing to do with the Piraeus Bank Group.
 - The recommendations of the particular research have not been amended by the Group.
 - The Group does not appear to be the producer of the research.
 - Before the publication of the Research, the Group has ensured that the person or organisation which has performed the research is applying the same or similar compliance rules with the Group.

9. Register and periodical reviews

The Group keeps a Conflict of Interests Register in which the conflict of interest situations which have occurred are listed as well as the activities/services in the framework of which the conflict occurred. In addition, the activities/services or the conditions in each area of activity of the Group which might lead to a conflict of interest are registered in the abovementioned Register as well as the procedures that must be followed for the prevention and management of these conflicts. Responsible for the keeping and updating of the abovementioned Registered is the Management Compliance Unit in collaboration with the Compliance Unit of each Covered Company. The Management Compliance Unit is also responsible for the evaluation of the Policy on Conflict of Interests at frequent intervals in order to ensure if and in what way the Policy will need to be reviewed so that its goals are more effectively achieved.

Companies of the Piraeus Bank Group covered by the present Policy

The companies of the Piraeus Bank Group covered by the present Policy are the following:

- Piraeus Bank S.A
- Piraeus Bank Bulgaria A.D.
- Piraeus Bank Romania S.A.
- S.S.I.F Piraeus Securities Romania S.A.
- Piraeus Securities S.A
- Piraeus Asset Management M.F.M.C
- Piraeus Asset Management Europe S.A
- Piraeus Bank (Cyprus) Ltd