HELLENIC BANK (PUBLIC) COMPANY LTD - CONFLICTS OF INTEREST POLICY SUMMARY

INTRODUCTION

The Conflicts of Interest Policy has been established in accordance with the Central Bank of Cyprus Directive on Governance and Management Arrangements and the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II"), which impose a general obligation on Hellenic Bank (Public) Company Ltd (the "Bank") to address the relevant provisions relating to the identification, prevention and management of Conflicts of Interest ("Conflict").

SCOPE AND APPLICABILITY

This document provides clients with a summary of the underlying Conflicts of Interest Policy (the "Policy") as well as the controls / arrangements established within the Bank for the identification, monitoring and prevention of Conflicts, aiming to enhance clients‘ protection.

The Conflicts of Interest Policy applies to the Bank itself, the Board of Directors (including the executive and non-executive Board Members), Senior Management, employees and any associated third parties. Additionally, it refers to all interactions with all clients or between one client and another, in relation to the Bank.

POLICY

The Bank, being a regulated entity, is required to establish, implement and maintain an effective Conflicts of Interest Policy set out in writing which is appropriate to the size, organisation, nature, scale and complexity of its current business model in order to identify, prevent, manage (in the case that prevention is not possible) and monitor conflicts of interest as well as report such situations/incidents, including cases on non-compliance with this Policy.

Taking into consideration the range/extent of services provided by the Bank, being a credit institution, it is inevitable that conflicts of interest might arise during its normal course of banking business and operations as well as in cases where the Bank is providing investment and / or ancillary services to its clients. Therefore, appropriate procedures and controls are in place and adhered to, so that an actual, potential or perceived conflict of interest shall not undermine the clients' interests.

TYPES OF CONFLICTS OF INTEREST

A conflict of interest is a situation that may arise during the business activity of the Bank in the course of providing services to a client, including investment and / or ancillary services, which may benefit the Bank or employees of the Bank or other client on behalf of which the Bank acts and adversely influence the interests of the client to whom the service is provided. Additionally, a conflict of interest may arise when employees take advantage of their position in the Bank in order to potentially benefit themselves or their related persons and adversely influence the Bank.

The types of conflicts of interest can be broadly grouped into the following categories:

- Organisational and / or employee-related conflicts;

- Client-related conflicts;
- Third party-related conflicts.

Examples of conflicts of interest, are listed but not limited below:

- An employee is engaging in personal transactions in financial instruments same or similar as the Bank's Clients;
- An employee is recommending or selling products issued by the Bank as part of its investment services or ancillary services;
- Where staff remuneration encourages the assumption of unnecessary risks which would result in the gaining of benefits, such as where the remuneration of the employees is linked to the profit derived from the service provided;
- Where employees of the Bank simultaneously perform executive and controlling functions;
- Where, as a result of excessive or lavish gifts or entertainment provided to an employee, such employee's judgement is improperly influenced, or the employee engages in improper conduct;
- Employees having a personal relationship / economic interdependence with a potential associated third party.

The Bank is not required to disclose to a client any material interest in a particular transaction, or a particular circumstance in which conflicts or duty may exist, where such conflict has been sufficiently managed by the Bank so as to ensure, with reasonable confidence, that any risk of damage to the client's interest will be prevented.

IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST

The Bank takes all necessary administrative and organisational measures and establishes the necessary procedures / arrangements in order to prevent the occurrence of conflicts of interest or manage any actual, potential or perceived conflict of interest between the Bank's various stakeholders.

For this purpose, the Bank has established, amongst others, the following measures / arrangements:

General controls / measures

In the event that any actual, potential or perceived conflict of interest is identified, the Bank shall take all necessary steps to ensure that no material risk exist to the interests of the Bank and/or its stakeholders and/or its clients. In particular, the Bank establishes and maintains robust systems and controls for the effective identification, prevention, management and monitoring of conflicts of interest which are necessary and appropriate to ensure the requisite degree of independence.

Independence, Segregation of duties and Effective Supervision

The Bank is committed in establishing policies and procedures, according to which the employees of each department/unit will act independently with respect to the interests of their respective Clients. Where appropriate, the Bank undertakes measures for the supervision and operational segregation of employees, in cases where conflicts of interest may arise. In addition, the Bank undertakes measures for the physical separation, supervision and operational segregation of certain departments/units that provide services to clients whose interests may come into conflict with the interests of other clients, or with the interests of the Bank. All employees who provide services to, or carry out activities on behalf of, the clients or the Bank must be effectively supervised.

Four-eyes Principle

The four-eyes principle applies, according to which at least two (2) members of staff should be involved in the process of submission/assessment and approval of all transactions and third - party collaborations.

Chinese Walls/Information Barriers

The Bank establishes and implements "Chinese Walls" / Information Barriers in order to prevent the transfer of confidential / inside information between departments / units and / or companies of the Bank.

Personal Transactions

The Bank has established policies and procedures governing personal transactions, in order to ensure that individual investment decisions are conducted in accordance with applicable laws and regulations as well as legal obligations of the Bank towards its clients and associates (including servicers).

Persons to which restrictions apply (i.e. approval is required prior to entering into a personal transaction) are provided in internal procedures for transactions in the Bank's financial instruments as well as transactions in other financial instruments.

PREVENTION OF IMPROPER INFLUENCE

The Bank is committed to prevent or limit the exercise of improper influence in the way which an employee provides investment and/or ancillary services or carries out banking related activities.

Inappropriate influence should not be exercised by any person over the way in which an employee engaged in the provision of investment or ancillary services or banking related activities carries out their duties.

Remuneration

The Bank recognises that the remuneration structure may influence employees' conduct. In this respect, the Bank has in place Remuneration Policy and procedures which set out appropriate governance to prevent remuneration structures which may incentivize employees to act contrary to their responsibilities, regulatory requirements or the Bank's Code of Business Conduct and Ethics.

Overall, the Bank takes necessary measures so that remuneration, appraisal and assigned duties do not encourage behavior of employees that may lead to situation of conflicts of interest.

Gifts and Personal Benefits

The acceptance and offering of gifts and other personal advantages is governed by the Bank's relevant policies and procedures. Employees/management/directors of the Bank must refrain from offering or accepting gifts and/or hospitality, irrespective of their value, which may influence or appear to influence their decision-making and the handling of the business, and lead to an actual, potential or perceived conflict of interest.

Corruption and Bribes

A bribe could create a conflict of interest where the payment or receipt of the bribe would distract the Bank from its obligations to act in the best interests of its Client. The Bank maintains policies and procedures for the combating of corruption which would, inter-alia, lead to conflicts of interest.

POLICIES AND PROCEDURES

The Bank is committed to take measures and establish policies and procedures to identify tools in dealing with situations of conflicts of interest with regards to issues such as remuneration of employees, gifts and personal benefits, Personal Transactions, secondary activities and external employment.

TRAINING

The Bank is committed to provide the necessary training and information related to conflicts of interest issues to its employees/management/directors. This training is critical in ensuring that such persons are able to identify and escalate conflicts of interest and are aware of the processes by which they are identified, escalated and resolved.

REFUSAL OF PROVISION OF SERVICE

Where the Bank is already providing services to a client, and a conflict of interest cannot be effectively dealt with, the Bank may refuse to provide the service.

DISCLOSURE OF CONFLICTS OF INTEREST

Employees/management/directors are required to disclose any actual, potential or perceived conflicts of interest in accordance with the following principles.

Internal disclosure

Employees/management/directors must declare any circumstances which may give rise to a conflict of interest as soon as they become aware of it, including where the matter may result, or has already resulted.

Disclosure to Clients

In cases where the measures taken to prevent or manage conflicts of interest are not sufficient and conflicts of interest will occur, the Bank should clearly inform clients, prior to undertaking any action on behalf of the client, regarding the nature and source of such conflicts of interest.

Disclosure of conflicts to clients is used only as a means of last resort, which shall only be used where the organizational and administrative arrangements established to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to the clients' interests will be eliminated.