

INVESTMENT SERVICES DOCUMENT B: ORDER EXECUTION POLICY

1. Regulatory Framework

Within the framework of the Law (as defined below) and directives issued thereunder, the Bank of Cyprus Group (which includes the Bank of Cyprus Public Company Ltd, its subsidiaries as well as its branches, authorised in any member state of the European Economic Area ("EEA")) has established this Order Execution Policy and takes all reasonable measures to obtain the best possible result for its clients when executing their orders in financial instruments, when receiving and transmitting their orders for execution to third parties as well as when placing orders with other entities for execution that result from decisions by the Bank of Cyprus Group to deal in financial instruments on behalf of the client when providing the service of portfolio management. For the purposes of this Order Execution Policy, "**Law**" means the Investment Services and Activities and Regulated Markets Law (Law 144(I)/2007), as amended, replaced, expanded or re-enacted from time to time.

Any other capitalised terms in this Order Execution Policy that have not otherwise been defined herein, have the meaning given to them in the Bank of Cyprus Group's Agreement for the Provision of Investment Services and Activities and Ancillary Services and/or the Client Agreement for Global Custody Services, as applicable, with its clients.

2. Scope of Application

This Order Execution Policy of the Bank of Cyprus Group applies to its retail and professional clients (as provided for in the Law and directives issued thereunder), when the Bank of Cyprus Group provides the service of reception, transmission and/or execution of clients' orders as well as the service of portfolio management in relation to financial instruments.

This Order Execution Policy does not apply in the case where the Bank of Cyprus Group publishes a quote or provides a "request for quote" service and the client transacts with the Bank of Cyprus Group on the basis of that quote. In addition, the Bank of Cyprus Group shall not apply this Order Execution Policy in relation to any business or activity which it may carry out with clients and which falls outside the framework of the Law.

3. Order Execution – Obtaining the Best Possible Result

Subject to any specific instructions from the client (as per paragraph 6), when executing orders on clients' behalf and/or when receiving and transmitting clients' orders for execution to third parties and/or when placing orders with other entities for execution that result from decisions by the Bank of Cyprus Group to deal in Financial Instruments on behalf of the client when providing the service of portfolio management, the Bank of Cyprus Group takes into account the following Execution Factors, in order to obtain the best possible result for its clients: price, costs, speed, likelihood of execution and settlement, size, nature, and any other consideration relevant to the execution of the order.

The relative importance of the Execution Factors varies between different financial instruments. Despite that, in most circumstances, price and costs will be the most important Execution Factors, in some circumstances in particular with reference to the Execution Criteria, the Bank of Cyprus Group may appropriately determine that other Execution Factors have greater importance in achieving the best possible result for the client.

The Bank of Cyprus Group determines the relative importance of the Execution Factors by using its commercial judgement and experience in the light of the information available on the market and taking into account the following Execution Criteria:

- i. the characteristics of the client including the categorisation of the client as retail or professional;
- ii. the characteristics of the client's order;
- iii. the characteristics of the financial instruments that are the subject of that order; and
- iv. the characteristics of the Execution Venues to which that order can be directed.

Especially for retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, including Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

The Bank of Cyprus Group may execute a client order in aggregation with another client order and/or with a transaction for own account, provided the aggregation of orders and transactions will not work overall to the disadvantage of any client whose order is to be aggregated, without excluding the possibility of the effect of aggregation to work to his disadvantage in relation to a particular order. Aggregated orders and transactions executed, are allocated pro rata on the basis of the average execution price. In the case where the Bank of Cyprus Group aggregates orders or transactions of clients with orders or transactions executed for own account, it shall allocate the relevant transactions with priority being given to the client vis-a-vis the Bank of Cyprus Group.

Demonstrating best execution does not necessarily involve a transaction-by-transaction analysis, but rather it involves an assessment of a record of transactions over a period indicating that overall the best result is achieved by executing orders on the client's behalf on the Execution Venues and in the manner described in this Order Execution Policy.

4. Execution Venues

'Execution Venue' includes: (i) a regulated market and a multilateral trading facility ("MTF"), as defined in the Law; and (ii) insofar as you have consented to the execution of trades outside of a regulated market or a MTF, a systematic internaliser or a market maker or other liquidity provider or an entity that performs a similar function in a third country (outside the European Union) to the functions performed by any of the foregoing. A list of the Execution Venues used by the Bank of Cyprus Group in respect of each class of financial instruments can be found at paragraph 9 of this Order Execution Policy. The Bank of Cyprus Group reserves the right to use other Execution Venues where deemed appropriate in accordance with its Order Execution Policy and may add or remove any Execution Venues from this list, with the aim to obtain the best possible result for the client.

5. Selecting an Execution Venue / Methods of Execution

With a view of ensuring best execution, where there is more than one competing Execution Venue to execute an order for a financial instrument, the Bank of Cyprus Group shall assess and compare the results for the client that would be achieved by executing the order on each of the Execution Venues listed in paragraph 9 that is capable of executing that order. In this assessment, the Bank of Cyprus Group's own commissions and costs for executing the order on each of the eligible Execution Venues shall be taken into account. The Bank of Cyprus Group shall refrain

from structuring or charging its commissions in such a way as to discriminate unfairly between Execution Venues.

Subject to proper assessment of the Execution Criteria and Execution Factors referred to above, where the Bank of Cyprus Group believes that it can trade to the client's advantage or not put the client at a disadvantage, the Bank of Cyprus Group may be used as an Execution Venue. When the Bank of Cyprus Group acts as an Execution Venue, the Bank of Cyprus Group will consider all the sources of reasonably available information, including the MTFs, local exchanges, brokers and data vendors, in order to obtain the best possible result for the client.

Subject to any specific instructions from the relevant client (as per paragraph 6), the Bank of Cyprus Group may execute a client order by one of the following methods or combination of methods:

- i. directly on a regulated market or MTF, where the Bank of Cyprus Group is not a direct member of the relevant regulated market or MTF, with a third party participating with whom the Bank of Cyprus Group has entered into an agreement for handling orders for that regulated market or MTF; or
- ii. outside a regulated market or an MTF, where the client's prior express consent has been obtained: (a) by executing the order with a matching order from another client of the Bank of Cyprus Group; and/or (b) with the Bank of Cyprus Group itself acting as the Execution Venue.

6. Client's Specific Instructions

Whenever a client gives a specific instruction as to the execution of an order or a part of it, the Bank of Cyprus Group shall execute the order following the specific instruction. The specific instruction may prevent the Bank of Cyprus Group from taking the measures that it has designed and implemented in this Order Execution Policy to obtain the best possible result for the execution of that order in respect of the aspects covered by this instruction. Where the client's instruction relates to only a part of the order, the Bank of Cyprus Group will continue to apply this Order Execution Policy to those aspects of the order not covered by the specific instruction.

7. Reception and Transmission of Orders

Subject to any specific instructions from the client (as per paragraph 6), the Bank of Cyprus Group may transmit an order it receives from the client to another entity of the Bank of Cyprus Group or to an external entity, such as a third party broker, for execution. In doing so, the Bank of Cyprus Group will act in the client's best interests and will comply with paragraph 3 above.

The Bank of Cyprus Group will review periodically its choice of third party brokers to ensure that the third party broker has execution arrangements and execution policy that enable the Bank of Cyprus Group to comply with all its best execution requirements. A complete list of third party brokers on which the Bank of Cyprus Group places significant reliance can be found at paragraph 10 of this Order Execution Policy.

8. Monitoring / Reviewing

The Bank of Cyprus Group will monitor the effectiveness of its order execution arrangements and this Order Execution Policy, making any changes where appropriate. In particular, the Bank of Cyprus Group shall assess on a regular basis whether the Execution Venues included in this Order Execution Policy provide for the best result for the client or whether it needs to make changes to its order execution arrangements.

Further the Bank of Cyprus Group will review this Order Execution Policy at least once a year and will notify its clients of any material changes to its Order Execution Policy (including changes to the selected Execution Venues and third party brokers). Upon request, the Bank of Cyprus Group will demonstrate to its clients that it has executed their orders in accordance with its Order Execution Policy.

9. List of Execution Venues

Private Banking, Premier Support and Institutional Wealth Management

Financial Instrument	Execution Venue / Third Party Brokers
Transferable Securities (amongst others, Shares, Bonds and other forms of securitised debt)	Bank of Cyprus Cyprus Stock Exchange CISCO Bank of America Merrill Lynch Barclays BNP Paribas Deutsche Bank Citi Credit Suisse Goldman Sachs JP Morgan Morgan Stanley Societe General UBS HSBC RBS RBC Guy Buttler Mitsubishi Edmond de Rothschild ING Commerzbank Nomura Investec Banca IMI
Money Market Instruments (amongst others, Treasury Bills, Certificates of Deposit, Commercial Paper)	Bank of Cyprus Cyprus Stock Exchange CISCO Bank of America Merrill Lynch Barclays BNP Paribas Citi Credit Suisse Goldman Sachs

	JP Morgan Morgan Stanley Societe General UBS
Units in Collective Investment Undertakings	Bank of Cyprus UBS Funds Services (Luxemburg) SA UBS Zurich AG Hussman Diamond Age Russia MAN Franklin Templeton JP Morgan Invesco Parvest Vanguard Pictet Blackrock Nordea Investec Aberdeen Carnegie Credit Suisse BNP Paribas Pimco ING ICS SSGA Schroder Victoria Value Global Future HSBC Legg Mason Global Funds CPB Smart Cash (Marfin Smart Cash) Fundquest Martin Gurrie Davis Funds BNY Mellon Goldman Sachs Advantage Marfin Peak Performance Neptune Russia & Greater Russia CF Linsdell Findlay Polar Capital DR Funds Ltd
Options, futures, swaps, forward rate	Bank of Cyprus

<p>agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash</p>	<p>Bank of America Merrill Lynch Barclays BNP Paribas Citi Credit Suisse Goldman Sachs JP Morgan Morgan Stanley Societe General UBS Saxo Bank HSBC Deutsche Bank</p>
<p>Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)</p>	<p>Bank of Cyprus Bank of America Merrill Lynch Barclays BNP Paribas Citi Credit Suisse Goldman Sachs JP Morgan Morgan Stanley Societe General UBS</p>
<p>Derivative instruments for the transfer of credit risk</p>	<p>Bank of Cyprus</p>
<p>Precious Metals</p>	<p>Credit Suisse</p>
<p>Physical Delivery of precious metals</p>	<p>Perth Mint</p>