

MIFID

PRE-CONTRACTUAL INFORMATION PACKAGE

Bank of Cyprus



CISCO



Member of the Cyprus Stock Exchange
Member of the Securities Market of the Athens Exchange
Regulated by the Cyprus Securities and Exchange Commission CIF: 003/03

BANK OF CYPRUS PUBLIC COMPANY LTD

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STROVOLOS 2002, NICOSIA, CYPRUS

**THE CYPRUS INVESTMENT AND
SECURITIES CORPORATION LTD**

1 AGIOY PROCOPIOY & POSIDONOS
STREET, ENGOMI 2406, NICOSIA,
CYPRUS

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1. Introduction

This MiFID (Markets in Financial Instruments Directive, 2014/65/EU of the European Parliament and of the Council as transposed to local Law 87(I) of 2017) Pre-Contractual Information Package (the 'Info Pack') is provided to existing and potential clients for general information purposes only and contains practical information on the processes and procedures which will apply where we provide Services to you.

The information is subject to modification by us at any time. Any modifications will be notified to you in writing and/or made available via the Website. Please periodically check the Website for updates.

The Info Pack should be read together with the agreement for the provision of investment services and activities and ancillary services and/or for the provision of global custody services (hereinafter referred to as the 'Investment Services Agreement'). In case there is any inconsistency between the contents of the Info Pack and the Investment Services Agreement, the terms of the latter will prevail. Capitalised terms not defined in the Info Pack shall have the meaning given to them in the Investment Services Agreement. Any term used in the Info Pack and not otherwise interpreted shall have the meaning attributed thereto in the Law.

Where this Info Pack refers to 'we', 'us', 'our' it refers to Bank of Cyprus Public Company Ltd ("BOC"), The Cyprus Investment and Securities Corporation Ltd ("CISCO") (as applicable) and/or both of them jointly, as the context may require, and where this Info Pack refers to 'you' or 'your' it refers to you or your organisation, as an existing or potential client.

2. General Information

A. Our Businesses and Competent Authorities

Founded in 1899, the *Bank of Cyprus Group* (the 'Group') is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services including private banking, brokerage, depositary and custody, fund management and investment banking. The Group includes, amongst others, the Bank of Cyprus Public Company Ltd as well as the latter's subsidiaries and branches, which are established in the European Economic Area.

Bank of Cyprus Public Company Ltd is carrying out banking business, in accordance with the relevant authorization obtained by the Central Bank of Cyprus, with the latter acting as the competent authority.

The contact details of the *Central Bank of Cyprus* are the following:

Telephone: +357 22714100

Fax: +357 22714959

Postal Address: 80, Kennedy Avenue, CY-1076, Nicosia

P.O.BOX: 25529, CY-1395, Nicosia.

The Cyprus Investment and Securities Corporation Ltd is the oldest and one of the leading providers of investment services in Cyprus. It is a wholly owned subsidiary of the Bank of Cyprus Public Company Ltd. It is authorised as an investment firm by the Cyprus Securities and Exchange Commission, with the latter acting as the competent authority.

The contact details of the *Cyprus Securities and Exchange Commission* are the following:

Telephone: +357 22506600

Fax: +357 22506700

Postal Address: 27 Diagorou Street, CY-1097, Nicosia

P.O.BOX: 24996, 1306, Nicosia.

B. Types of Services offered

1. The investment services and activities as well as the ancillary services which *Bank of Cyprus Public Company Ltd* is authorised to provide are the following:

Investment services and activities:

- a) Reception and transmission of orders in relation to one or more Financial Instruments.
- b) Execution of orders on behalf of clients.
- c) Dealing on own account.
- d) Provision of investment advice.

Ancillary Services:

- a) Global custody services which consist of the administration and/or settlement of transactions and safekeeping (where applicable) of Financial Instruments for the account of clients, including custodianship and related services, such as cash/collateral management, excluding maintaining securities accounts at the top tier level.
- b) Foreign exchange services where these are connected to the provision of investment services.
- c) Investment research and financial analysis or other forms of general recommendation relating to transactions in Financial Instruments.
- d) Investment services and activities as well as ancillary services of the type mentioned above related to the underlying of the derivatives included under points (5), (6), (7) and (10) of Part III of the First Appendix of Law 87(I)/2017 where these are connected to the provision of investment or ancillary services.

2. The investment services and activities as well as the ancillary services which *The Cyprus Investment and Securities Corporation Ltd* is authorised to provide are the following:

Investment services and activities:

- a) Reception and transmission of orders in relation to one or more Financial Instruments.
- b) Execution of orders on behalf of clients.
- c) Provision of investment advice.
- d) Portfolio management.
- e) Underwriting of Financial Instruments and/or placing of Financial Instruments on a firm commitment basis.
- f) Placing of Financial Instruments without a firm commitment basis.

Ancillary Services:

- a) Safekeeping and administration of Financial Instruments for the account of clients, including custodianship and related services, such as cash/collateral management, excluding maintaining securities accounts at the top tier level.
- b) Granting credits or loans to an investor to allow him to carry out a transaction in one or more Financial Instruments where the firm granting the credit or loan is involved in the transaction.
- c) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings.
- d) Foreign exchange services where these are connected to the provision of investment services.
- e) Investment research and financial analysis or other forms of general recommendation relating to transactions in Financial Instruments.
- f) Services relating to underwriting.

C. Company details

1. Bank of Cyprus Public Company Ltd
Company Registration Number: HE 165
Registered office: 51 Stassinou Street, Ayia Paraskevi, Strovolos, 2002, Nicosia, Cyprus
2. The Cyprus Investment and Securities Corporation Ltd
Licence Number: 003/03
Licence Date: 12/05/2003
Company Registration Number: HE 18558
Registered office: 1 Agiou Prokopiou and Posidonos, 1st Floor, 2406 Engomi, Nicosia, Cyprus

D. Our Websites

1. Bank of Cyprus Public Company Ltd
<https://www.bankofcyprus.com/en-gb/Personal/the-bank/mifid/investment-and-custody-services/>
2. The Cyprus Investment and Securities Corporation Ltd
<http://www.cisco-online.com.cy>
<http://www.cisco-online.com.cy/news--media/mifid/>

E. Contact details

1. Bank of Cyprus Public Company Ltd

Institutional Wealth Management & Custody

Address: Bank of Cyprus Public Company Limited
Institutional Wealth Management (0216)
Fax: +357 22 120216
E-mail: iwm@bankofcyprus.com, custody.services@bankofcyprus.com
Telephone: +357 22 121881
Attention: Manager Institutional Wealth Management & Custody

Private Banking

Address: Bank of Cyprus Public Company Limited
Private Banking (0316)
Fax: +357 22 120116
E-mail: info@bankofcyprus.com
Telephone: +357 22 121881
Attention: Manager Private Banking

Affluent Banking

Address: Bank of Cyprus Public Company Limited
Affluent Banking (0290)
Fax: +357 22 120290
E-mail: affluentbanking@bankofcyprus.com
Telephone: +357 22 121731
Attention: Manager Affluent Banking

Global Markets & Treasury Sales

Address: Bank of Cyprus Public Company Limited
Global Markets & Treasury Sales (0282)
Fax: +357 22 120282
E-mail: treasurysales@bankofcyprus.com
Telephone: +357 22 121725
Attention: Manager Global Markets & Treasury Sales

2. The Cyprus Investment and Securities Corporation Ltd

Address: The Cyprus Investment and Securities Corporation Ltd
1 Agiou Prokopiou and Posidonos, 1st Floor, 2406 Engomi, Nicosia, Cyprus
Fax: +357 22 123744
E-mail: ciscoinfo@bankofcyprus.com
Telephone: +357 22 121700
Attention: General Manager, The Cyprus Investment and Securities Corporation Ltd

F. Tied Agents

The Cyprus Investment and Securities Corporation Ltd has a network of tied agents in Cyprus, all of which are registered in the relevant public register of tied agents maintained by the Cyprus Securities and Exchange Commission. The complete list of tied agents, including their contact details and services offered, is available on the Website of The Cyprus Investment and Securities Corporation Ltd.

G. Right of withdrawal

When BOC and CISCO provide investment services and activities and ancillary services to consumers (i.e. natural persons acting for purposes outside their trade, business or profession) via means of distance communication (i.e. without the simultaneous physical presence of BOC/CISCO and the consumer), the consumer does not have a right of withdrawal pursuant to the Distance Marketing Consumer Financial Services Law, Law 242(I)/2004, since the price of the services provided depends on fluctuations in the financial market outside BOC's/CISCO's control, which may occur during the withdrawal period, falling under the exemption of section 11 of the abovementioned law.

It is hereby clarified though that the consumer does not need to provide any justification to BOC /CISCO in case it wishes to withdraw from the Investment Services Agreement.

3. General description of the nature and risks of different Financial Instruments

A. General

Each investment in Financial Instruments carries a risk which depends on the nature of each investment. There are several factors that may impact the value or yield of an investment. This Section 3 is intended to help you understand the nature and risks of the Financial Instruments and transactions you may enter into with us and, consequently, to take investment decisions on an informed basis.

This Section 3 describes the nature and the risks of various Financial Instruments, but it cannot cover all the associated risks or other important aspects of the Financial Instruments described below. Therefore, it should not be considered complete and nor should it be construed as investment advice or recommendation for the provision of any service or investment in any of the Financial Instruments mentioned below.

You should not carry out any transaction in these or in any other Financial Instruments unless you are fully aware of their nature, the risks involved and your exposure in these risks. In case where you are uncertain as to the meaning of any of the warnings described below, you must seek independent legal and/or financial advice before taking any investment decision.

You should also be satisfied that any investment and/or transaction is suitable for you considering your circumstances and financial position. You should not enter into a transaction if you do not understand it or the risks relevant to that transaction.

Any trading or investment recommendations, ideas, suggestions, market colour, generic advice, research, or other information communicated or otherwise made available to you is incidental to the provision of services by us to you and is not based on your individual circumstances and should not be relied upon as an assessment of the suitability for you of a particular transaction. We hereby make no representation, warranty, or guarantee as to their accuracy or completeness.

B. Returns

The value of any investment in Financial Instruments may fluctuate downwards or upwards and the investment may even become worthless. There is no guarantee that you will get back the amount initially invested. The value of investments may be affected by a variety of factors outside your and our control.

Past performance of a Financial Instrument is not an indication of its future performance.

C. Margin

If you deposit margin as security with us, deposited margin may cease being your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited and may have to accept payment in cash.

If you trade in Financial Instruments with margin, you may sustain a total loss of the margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss, and you will be responsible for the resulting deficit.

Where assets belonging to you and held by us or a third-party custodian are provided as margin, you will not have the right to request return of such margin otherwise than in accordance with the Investment Services Agreement.

D. Description of Financial Risks

Systemic Risk

Systemic risk is the risk arising from interdependencies among markets, which results in problems possibly appearing in one of them spreading to other markets. It involves the entire financial sector and not any one individual market and appears in the form of chain reactions.

Non-systematic Risk

Non-systematic risk is non-market or specific risk associated with a particular issuer of a security. It is sometimes called unique risk or diversifiable risk as it can be eliminated with diversification. It basically relates to the uncertainty associated with the company the investor wishes to invest into.

Market Risk

Market risk is the risk of a change in the value of an investment due to changes in general market factors such as interest rates, share prices, share indices, exchange rates, commodity prices and commodity indices. For example, an increase in interest rates increases the cost of borrowing for companies, decreasing such companies' net profits and discouraging new borrowing for investments. An increase in commodity prices (such as oil) might lead to an increase in product prices and in costs for companies which use the raw materials, transferring the cost to the consumer, increasing inflation and negatively affecting economic development. In case of a negative fluctuation in prices, investors in Financial Instruments run the risk of losing part or all their invested capital.

Country Risk

Country risk is the risk associated with investing in a particular country. These risks include, amongst others, political risk, exchange rate risk and economic risk linked to the specific country.

Sector Risk

Sector risk is the risk where securities of many companies in the same sector will fall in price at the same time because of events which affect the entire industry. Factors which may affect industries include economic factors as well as unique factors associated with the particular industry.

Credit Risk

Credit risk is the risk of failure of a counterparty to meet its obligations, for example failure to pay dividends or interest. This is sometimes called the default risk. This risk can be assessed through credit assessment of the counterparties and can be mitigated with credit insurance, portfolio diversification and/or the use of credit derivatives. A specific sub-type of credit risk is Credit Rating Risk which is the risk associated with the credit worthiness of an issuer as assigned by specific credit rating agencies. Another sub-type of credit risk is the Credit Spread Risk, which represents the difference between the yield-to-maturity of a risky bond and that of a government bond as well as reflects the additional risk assumed by an investor for investing in a bond with higher probability of default.

Exchange Risk

Risks associated with trading securities in specific exchanges, their liquidity and demand/supply dynamics.

Inflation Risk

The risk that the cash value will be reduced as a result of inflation (the general increase in prices). Inflation can effectively erode the value of portfolio returns and can reduce the purchasing power and result in loss in real value. Investing funds in securities which keep pace with inflation will assist in reducing or mitigating the inflation risk factor.

Price Risk

The risk of loss that occurs when the price of a Financial Instrument (or portfolio) declines in the future which may be below the price one paid to buy it.

Interest Rate Risk

The risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve, or in any other interest rate relationship.

Settlement Risk

Settlement risk is the risk that the settlement of transactions in Financial Instruments is not completed, especially if the counterparty does not pay or deliver titles in time to fulfil its obligation to clear the transaction. This risk is limited where the investment involves Financial Instruments traded in regulated markets because of the regulation of such markets. This risk increases in case the investment involves Financial Instruments traded outside regulated markets or where their settlement takes place in different time zones or different clearing systems.

Liquidity Risk

Liquidity risk is the risk of inability to liquidate an investment in time and at a reasonable price resulting in a loss to the investor due to the substantially lower price in which the investor may liquidate the investment due to lack of buyers. The liquidity of a Financial Instrument is directly affected by the supply and demand for that Financial Instrument and indirectly by other factors, including disruptions in the market or in the securities settlement process and infrastructure issues.

Foreign Exchange Risk

Foreign Exchange risk is the risk of an investment's value being affected by changes in exchange rates and affects investments in Financial Instruments which are traded in a different currency or in foreign exchange markets.

Counterparty Risk

This is the risk that one of the parties, involved in a derivatives contract, defaults in value (also known as derivatives credit risk), with the risk being higher for OTC contracts compared to exchange-traded contracts.

Custody Risk

This risk can be split into two main sub-categories, to include: a. Counterparty risk which is related particularly to third-party sub-custodians and b. Transparency and control risks with emphasis on asset segregation. In general, custody risk is the risk of loss of the Financial Instruments held by a custodian on behalf of the investor, due to the custodian's actions or omissions or lack of creditworthiness.

Operational Risk

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can have an adverse impact on all Financial Instruments. Business risk, especially the risk that the business is run incompetently, may also adversely affect shareholders or other investors in such a business. Personnel and organisational changes may severely affect such risks and, in general, operational risk may not be apparent from outside the organisation.

Regulatory and Legal Risk

This risk refers to the regulatory and legal framework in the country of the investment. Any change in the legal, tax or regulatory framework may have an impact on an investment. Such risk is unpredictable and depends on numerous political, economic, and other factors. For this reason, this risk is greater in emerging markets where there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets.

Portfolio management risk

This refers to risks associated with following particular investment strategies or pursuing specific investment goals.

Dividend Risk

By investing in dividend-paying securities, investors should acknowledge that dividends distributed by companies depend on the effective to-date company's dividend policy and its decision to make dividend payments or not (i.e., companies are not legally required to pay dividends). Furthermore, it should be noted that there is risk associated with investing in

dividend-paying stocks and caution should be exercised when trading these stocks with dividend (i.e., 'cum') or without dividend ('ex'), as stock prices may drop after the ex-dividend date. Lastly, there are cases where companies may decide to offer dividend distributions in the form of securities instead of cash and which should be considered by investors when choosing dividend-paying securities.

Call Risk

Also called the prepayment risk or early redemption risk, it refers to the risk associated with the issuer of the fixed income security (or other Financial Instrument with similar characteristics) for redeeming back part or the whole of the bond issue before the maturity through a 'call provision'.

Reinvestment Risk

During periods of falling interest rates, coupon payments and principal payments need to be re-invested at lower rates than the original coupon of the fixed income security (or other Financial Instrument with similar characteristics).

Note: The description of financial risks detailed above is not exhaustive and could be associated with all Financial Instruments or Financial Instruments in particular. Investors should inform themselves about the income and other legal, tax and regulatory consequences of entering into an investment transaction.

E. Description of Financial Instruments and Related Risks

Whilst an overview of the available Financial Instruments provided by the Group is set out below, these Financial Instruments may take on different or unique characteristics and risk profiles depending on the specific details of each transaction and prevailing market conditions, especially when these Financial Instruments are combined.

Equities/Shares

Equities/shares represent a portion in the share capital of a company. The extent of the investor's ownership in a company depends on the number of shares held in comparison to the issued number of shares.

Shareholders are exposed to all major risks mentioned in sub-section D of this Section 3, and in particular to market risk. Shares may be traded in stock exchanges and their market value may decrease or increase according to market conditions the progress and financial results of the company. With regards to shares traded outside a stock exchange or shares of smaller capitalization companies, there is an additional risk of losing money when such shares are bought or sold generally due to their low liquidity. Furthermore, company shares listed in less developed markets are generally more difficult to be bought and sold than company shares listed in more developed markets for example because of low liquidity and such companies might not be as highly regulated. It is noted that in case of a company's dissolution or extreme market conditions, the investor may lose up to the entire value of the investment.

Depositary Receipts

Depositary Receipts (ADRs, GDRs etc.) are negotiable certificates, typically issued by a bank, which represent a specific number of shares in a company. They are traded on a local or foreign stock exchange with regards to the issuer of the receipt. The receipts may facilitate investment in the underlying companies due to the widespread availability of price information, lower transaction costs and timely dividend distributions.

The risks involved relate both to the underlying share and to the bank issuing the receipt. Receipts representing underlying shares in foreign markets (in particular in emerging markets) also involve risks associated with the capital markets in such jurisdictions.

Warrants

A Warrant offers the right to its holder to acquire a specific number of shares from the issuer of the underlying securities at a predetermined price (exercise price). The Warrant is invariably limited in time, with the consequence that if the investor does not exercise or sell the Warrant within the pre-determined timescale, the Warrant expires with no value.

If the Warrant is exercised, the holder is required to pay to the issuer the exercise price. Exercise of the Warrant will give its holder all the rights and risks of ownership of the underlying security.

Warrants provide leverage, the extent of which depends on the Warrant's exercise price relative to the price of the underlying security. Therefore, a relatively small fluctuation in the price of the underlying security may lead to a disproportionately larger fluctuation, favourable or unfavourable, to the price of the Warrant. The price of Warrants can therefore be very volatile. Before the purchase of a Warrant, the investor must be aware that there is a risk of losing the whole amount of the investment as well as any commissions and costs incurred. Warrants are subject to all the major risks mentioned in sub-section D of this Section 3.

Rights

A Right offers the right to its holder to purchase a specific number of new shares from the issuer of the underlying securities at a predetermined price (usually lower than the current market price). Rights are issued only for a small time-period, after which they lapse. If the Right is exercised, its holder is required to pay to the issuer the exercise price. The exercise of the Right will give its holder all the rights and risks of ownership of the underlying security.

Rights provide leverage, the extent of which depends on the Right's exercise price relative to the price of the underlying security. Therefore, a relatively small fluctuation in the price of the underlying security may lead to a disproportionately larger fluctuation, favourable or unfavourable, to the price of the Right. The price of Rights can therefore be very volatile. Rights are subject to all the major risks mentioned in sub-section D of this Section 3.

Bonds

A Bond is a loan security, by which the issuer undertakes the obligation against the holder to repay the capital at its maturity and the interest (coupon) at the periods specified in the terms of issue. Bonds can be issued either by governments (government bonds) or companies (corporate bonds). In this sense, Bonds represent a form of government or corporate borrowing.

The credit risk of governments, financial organisations, corporations and generally of any Bond issuer may be rated by credit rating agencies. The result of these ratings constitutes a valuable guide for investors in Bonds. Bond issues of lower credit ratings tend to offer higher coupons to compensate the investors for the higher risk they assume. Some Bonds trade on recognised stock exchanges but many trade outside regulated markets (OTC). Liquidity may differ between various types of Bonds.

Other than credit risk where the issuer of the Bond may not be financially solvent to pay to the investors interest or even the principal of the Bond and/or where the value of the Bond may decrease following a downgrade of the credit rating of the issuer, there is foreign exchange risk, liquidity risk, interest rate risk as well as prepayment risk (as described in sub-section D of this Section 3).

Interest rate risk is the risk where increases in interest rates may cause significant decrease in the market value of a fixed-rate Bond (price risk) and where decreases in interest rates may affect the reinvestment of the coupon payments of a fixed-rate Bond (reinvestment risk). When interest rates increase, a Bond issued previously carrying lower fixed rate may decrease in value. As a result, the longer the maturity (duration) of the Bond, the higher its sensitivity to changes in interest rates. When interest rates decrease, the coupon payments received from fixed-rate Bonds are reinvested at lower interest rates while coupon payments received by investors from floating-rate Bonds decrease.

Prepayment risk is the risk of change of the expected return of the Bond if the issuer has the right, pursuant to the terms of issue, to redeem it earlier in case of decrease in the interest rates.

(a) Callable Bonds

A Callable Bond offers the option to the issuer to redeem the Bond before its maturity date. Redemption may be mandatory for the issuer based on the fulfilment of some preconditions included in the initial terms of issue or at the

issuer's option and all or part of the issued Bond may be redeemed before its maturity date. Investors whose Bonds are called are paid a specified call price. Any (positive) difference between a Bond's call price and nominal value is the call premium. Call provisions expose investors to additional risks and are therefore issued with higher yields than comparable Bonds with no such provisions.

(b) Convertible Bonds

A Convertible Bond is a corporate Bond that gives its holder the option to convert it in shares of the issuer company at specified time periods and at a specified conversion price. A Convertible Bond has the features of a straight Bond with an attached Warrant and hence exposes the investor to the risks of both Financial Instruments.

(c) Treasury Bills

Treasury Bills are zero coupon Bonds that are issued with a discount to their nominal (par) value. Treasury Bills may have maturities of one month, three months (thirteen weeks), six months or twelve months (fifty-two weeks). They are mainly subject to interest rate risk.

Medium Term Notes

Medium Term Notes are a form of debt capital. They are usually issued within the framework of a financing programme, registered to a supervisory authority, which allows the issuers (subject to the parameters of the programme as registered) to change the nominal return or the term in response to the issuer's needs or the market demand. Medium Term Notes usually offer coupon payments and have various maturities. There is a secondary market for Medium Term Notes which is supported by the underwriters of the issue. Given that Medium Term Notes entail credit risk, they are rated just like corporate bonds. They are also subject to interest rate risk and all the other major risks mentioned in sub-section D of this Section 3.

Money Market Instruments

(a) Certificates of Deposit (CDs)

A Certificate of Deposit (CD) is a money market instrument, which has a fixed term (usually under a year) at the end of which interest is paid on the deposit, by the bank or other credit organisation which issues the CD. Most CDs pay a fixed interest rate but there are also floating rate CDs. In case the investor wishes to withdraw his/her funds earlier than the maturity date, he/she is obliged to pay a fee. Most CDs are traded, and the investor may sell a CD rather than pay a fee to withdraw the funds. Returns depend primarily on a CD's term, the prevailing interest rates of the underlying currency and the credit rating of the issuer.

(b) Commercial Paper

Commercial paper is unsecured short term promissory notes issued for a small period of up to a year, mainly by companies (although there are also government issuers) which obligate the issuer to pay a fixed capital at maturity. To secure a return to the investor, Commercial Paper is issued at a discount from the capital to be paid at maturity. For issuers, Commercial Paper constitutes a quick and cheap source of raising capital whilst for investors, it constitutes a liquid investment of low risk. Other than the main risks described in sub-section D of this Section 3, Commercial Paper also entails credit risk and is rated by the major credit rating agencies.

(c) Repurchase Agreements and Reverse Repurchase Agreements (Repos / Reverse Repos)

A Repurchase Agreement is an agreement between two contracting parties whereby one party sells to the other party a security at a specified price, with a commitment to buy the security back at a later date for another specified price. Essentially, a Repurchase Agreement is a temporary exchange of capital and securities. The capital and the securities exchanged through a Repurchase Agreement are designed to act as collateral one for the other. This means that if the seller does not fulfil his/her obligation to repay the capital, the buyer may sell the securities to cover at least part of his/her capital. Respectively, if the buyer does not fulfil his/her obligation to return the securities, the seller may substitute at least some of the securities by using the capital to buy new securities. The purchase and sale price are determined directly by the two contracting parties and is generally lower than loan rates. If the security pays dividend,

coupon or has partial redemption during the agreement, this is returned to the initial owner. A Reverse Repurchase Agreement is the opposite of a Repurchase Agreement. Other than the major risks described in sub-section D of this Section 3, Repurchase and Reverse Repurchase Agreements also entail credit risk.

Collective Investment Schemes

Generally, Collective Investment Schemes involve an arrangement that enables several investors to 'pool' their assets and have these professionally managed by an independent fund manager. This arrangement may take the form of a company, partnership, or trust. Investments normally include bonds and shares of listed companies but depending on the type of the scheme, may include broader investments such as derivatives, real estate, or any other financial instrument and/or asset. The valuation of such a Scheme is generally performed by the fund manager or the investment consultant of the Scheme, the custodian or by an independent valuation agency (as the case may be).

Collective Investment Schemes may invest in markets of high volatility and/or low liquidity and it is possible that there are increased exit or entry costs from or to the Scheme. The ability to liquidate such a Scheme may be limited, depending on the terms of operation of the Scheme and the long time period of notice required for redemption during which the value of each unit may exhibit high volatility and possibly decrease. It is possible that there is no secondary market for such Schemes and hence such an investment may be liquidated only through redemption.

(a) Hedge Funds

Hedge Funds are a type of investment funds, which use specialised investment strategies (such as short selling, use of margin / leverage and use of derivatives) with the aim to maximise returns and control the risk in case of market downturn.

Hedge funds are considered a riskier investment than traditional funds and are suitable for more experienced investors. They usually invest in risky or illiquid securities and although they target absolute returns, if they fail to manage risk, they may realise significant losses. Beyond the liquidity risk, Hedge Funds can leverage which means that a relatively small fluctuation in the price of the underlying security may lead to a disproportionately larger fluctuation, favourable or unfavourable, to the value of the investment.

(b) Exchange Traded Funds - ETFs

Exchange Traded Funds (ETFs) are a form of Collective Investment Schemes which typically track indices, specific sectors, or specific geographical regions. There are also actively managed ETFs which do not adhere to a strictly passive investment strategy. ETFs trade in organised and non-organised secondary markets just like shares but with the following major differences: ETFs typically represent an investment in a basket of Financial Instruments and their purchase/sale generally bears lower transaction costs and lower expense ratios than investments in mutual funds. Investment in ETFs generally exposes the investor to similar risks as investments in the underlying securities (shares, bonds etc) but to a lower degree due to the diversification of investments. Leveraged ETFs can be a lot more volatile and riskier, depending on the level of leverage and derivative or other instruments they employ.

Structured Products

'Structured Products' refer to a broad range of synthetic products created to meet specific investment needs that cannot be met from the standardised Financial Instruments available in the market. Structured Products often use derivatives as underlying assets (e.g., options and swaps) and can be used as an alternative in the asset allocation process to reduce the risk exposure of a portfolio or to take advantage of current market trends. Structured Products are usually formed as contracts and can be issued as notes or structured deposits. Their value is derived from the market value of the underlying asset (shares, currencies, interest rates, commodities, financial indices and/or any combination of these) and its volatility, the time up to maturity as well as the interest rates.

A sub-category of Structured Products is Capital Guaranteed Products where the initial capital is guaranteed by a banking organisation and is returned at the product's maturity.

Transactions in Structured Products (excluding the Capital Guaranteed Products mentioned above) involve increased risk of losing the whole or part of the original invested capital. Investors in Structured Products are exposed to all the major risks mentioned in sub-section D of this Section 3.

Currency Forwards

A Currency Forward is a commitment to buy or sell a specific amount of foreign currency at a later date or within a specific time period and at an exchange rate (the forward rate) determined at the time the transaction is concluded. The delivery or receipt of the currency takes place on the agreed upon value date. A currency forward transaction cannot be cancelled. It may, however, be closed out at any time by the repurchase or sale of the foreign currency amount on the value date originally agreed upon. Currency Forwards are over the counter (OTC) instruments. They entail market risk, interest rate risk, foreign exchange risk and credit risk.

Options

Options are derivative instruments giving the holder / buyer (long position) the right, but not the obligation, to buy (Call Option) or sell (Put Option) an underlying asset from / to another contracting party at a predetermined price (exercise price) either during a specific period or at a specific date. The seller of the Option (short position/writer) has the obligation to buy or sell the underlying asset from / to a contracting party. Options trade on exchanges or over the counter (OTC). Their value is derived from the market value of the underlying asset (shares, currencies, interest rates, commodities, financial indices and/or any combination of these) and its volatility, the time up to maturity as well as the interest rates.

There are many different types of options with different characteristics subject to different conditions.

(a) Buying Options

Buying a Call or a Put Option (long call or long put) is a less risky position than selling an Option (short call/short put) since if the price of the underlying asset decreases in the case of a Call Option or increases in the case of a Put Option the investor can leave the Option to expire without exercising it. Maximum loss is limited to the premium paid plus any commission or other transaction costs.

(b) Writing/Selling Options

The seller of the Option (short call/short put) has the obligation to sell/buy the underlying asset to/from the contracting party at the agreed exercise price if the price of the underlying asset exceeds/is less than the exercise price. If the seller of the Call Option does not hold the pre-agreed underlying asset (naked call/uncovered call), his/her possible loss is unlimited whereas his/her maximum profit is equal to the option premium received. If the seller of the Call Option holds the underlying asset which he/she agreed to sell (covered call), the risk of loss is less. On the contrary, credit risk is borne always by the buyer of the Option since he/she will exercise the Option only if it is in his/her best interest and thus it all depends on the credibility of the seller to fulfil his/her obligations. Writing uncovered options is very risky as losses to the seller can be unlimited.

Futures

Futures are derivative products which oblige the buyer to buy an underlying asset (or the seller to sell an underlying asset) from / to another contracting party, at a specified future date and at a specified price (future price). Usually, Futures provide that at the expiry date, there is no actual delivery of the underlying asset and payment of total consideration but just payment of the difference between the spot and the future price of the underlying asset at the termination of the contract. The theoretical prices of Futures are determined based on the spot price of the underlying asset, the interest rates, and the time up to maturity. A premium or discount is added or subtracted respectively depending on the market expectations of the future price. The underlying asset may be a share, an index, a commodity product, or a currency. Futures are traded in a stock exchange and are regulated by the regulatory authorities.

Futures entail significant risk. The ability to leverage which usually offer, means that a relatively small fluctuation in the price of the underlying asset may lead to a disproportionately larger fluctuation, favourable or unfavourable, to the value of the Future.

Futures involve daily cash settlement (mark to market), where at the end of each day, investors whose positions (purchase or sale) recorded losses, are called to pay in their margin account a required amount, to maintain their position. If investors do not pay the required amount within the required time, then their position may be cleared with a loss, and they will be liable for the deficit in their account.

Contracts for Differences

A Contract for Differences is an agreement between two contracting parties, a buyer, and a seller, with which the seller undertakes the obligation to pay to the buyer the (positive) difference between the current market price of an asset and its price at the time of the agreement (if the difference is negative, then the buyer is obliged to pay this to the seller). This asset could be a share, a bond, a future, an option etc. For example, where applicable to shares, such an agreement allows the investor to speculate on share movement with no actual holding of these shares.

A Contract for Differences entails a high degree of risk because of the leverage involved. A relatively small fluctuation in the price of the underlying asset may lead to a proportionately larger fluctuation in the value of the investment. Transactions in contracts for differences may also have a contingent liability, in particular margining requirements.

Futures and options contracts can also take the form of contracts for differences. These can be options and futures on indices, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash.

Swaps

A Swap is a cash-settled derivative agreement between two contracting parties to 'swap' two streams of cash flows during one or more time periods in the future based on pre-agreed terms.

The most common type of Swaps is Interest Rate Swap Agreements. In Interest Rate Swaps, one contracting party agrees to pay to the other contracting party a fixed interest rate on a pre-agreed principal amount for a specific time-period. In exchange, he/she receives a floating interest rate on the pre-agreed principal for the specific time-period. The principal in such type of Swaps is usually not exchanged. In every settlement date, payments of the contracting parties are netted so that there is only one payment made from the contracting party with the greater liability. Interest Rate Swap Agreements are usually used to convert a floating rate loan into a fixed rate one or/and vice versa.

Another common type of Swaps is Currency Swap Agreements where the contracting parties exchange a specific amount in different currencies for a specific time-period. In Currency Swap Agreements, there is an exchange of principal both at the inception and termination of the agreement, while the payments between the two contracting parties at the settlement dates are not netted since they are in different currencies. In such Agreements, there is no foreign exchange risk since the exchange rate is determined at the inception of the agreement.

Another type of Swaps is Commodity Swap Agreements where the contracting parties agree to exchange payments on a pre-agreed quantity of a commodity (crude oil or refined products, precious metals, agricultural commodities), with the one party paying a fixed price for the good and the other party paying a floating price. The underlying commodity product is not exchanged, and the parties proceed to pay the difference between the two prices (fixed and floating). Depending on whether the investor wishes to be hedged against a possible rise or fall in the prices of the related commodity, he/she takes the appropriate "position" in the swap agreement (that is to pay a fixed or floating price). Even though no initial premium is required in case the market "moves" against the investor then he/she may be required to pay the amount corresponding to the difference owed.

Swaps include both credit and interest rate risk. Currency Swaps entail greater credit risk than Interest Rate Swaps due to the exchange of principal both at the inception and termination of the agreement as well as the payments from both parties at every settlement date.

4. Client categorisation

Considering your knowledge, experience, and skills in the investment field relevant to the specific type of product or services offered or demanded, you may be categorised as a retail client, a professional client, or an eligible counterparty.

A. Retail Clients

Retail clients are considered as those clients who do not fulfil the criteria to be treated as professional clients or eligible counterparties. A retail client receives the highest level of protection and information from us, compared to a professional client or an eligible counterparty.

Local public authorities and municipalities will be treated as retail clients by default unless they have elected to opt up to professional clients and have been assessed as having the required knowledge and experience to be classified as professional clients.

B. Professional Clients

Professional clients are clients who are considered to possess the experience, knowledge, and expertise to make their own investment decisions, as well as to properly assess the risks that they will incur.

The following are regarded as professional clients per se:

- a) Entities which are required to be authorised or regulated to operate in the financial markets, including all authorised entities carrying out the characteristic activities of the entities mentioned below: entities authorised by a member state of the EU under legislation of the EU, entities authorised or regulated by a member state of the EU without reference to legislation of the EU, and entities authorised or regulated by a country which is not a member state of the EU, such as:
 - Credit institutions.
 - Investment firms.
 - Other authorised or regulated financial institutions.
 - Insurance companies.
 - Collective investment schemes and management companies of such schemes.
 - Pension funds and management companies of such funds.
 - Commodity and commodity derivatives dealers.
 - Locals entities which provide/perform investment activities.
 - Other institutional investors.
- b) Large undertakings meeting two of the following size requirements, on a company basis:
 - Balance sheet total: €20.000.000
 - Net turnover: €40.000.000
 - Own funds: €2.000.000.
- c) National and regional governments, public agencies managing public debt, central banks, international and multinational organisations such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations.
- d) Other institutional investors, whose main activity is investing in Financial Instruments, including companies which deal exclusively with securitising assets or other financing transactions.

C. Eligible Counterparties

You can only be an eligible counterparty when we bring about or enter into transactions with you, while providing the investment services of reception and transmission of client orders, execution of orders on behalf of clients and/or dealing

on own account, or when we provide any ancillary services directly related to such transactions. In such cases, we are not obliged to comply with certain conduct of business obligations, namely we are not obliged to:

- a) Comply with certain investor protection requirements; we are obliged, however, to provide appropriate information to you.
- b) Assess the suitability and appropriateness of certain products or services, before providing them to you; we are obliged, however, to provide you with adequate reports on the service provided.
- c) Take all sufficient steps to obtain the best possible result for you when executing orders on your behalf.
- d) Have in place procedures to provide for the prompt, fair and expeditious execution of your orders, relative to other client orders or our own trading interests.

You cannot be treated as an eligible counterparty when we provide any other kind of investment and ancillary services, such as investment advice and portfolio management.

In case you have been categorised as a retail client or as an elective professional client or in case you are a natural person, you are not allowed to request to be treated and/or to be treated as an eligible counterparty.

The following are considered to be eligible counterparties:

- Investment firms
- Credit institutions
- Insurance companies
- UCITS and their management companies
- Pension funds and their management companies
- Other financial institutions authorised by a member state or regulated under European Union law or under the national law of a member state of the EU
- National governments and their corresponding offices including public bodies that deal with public debt at national level
- Central banks, including Central Bank of Cyprus, and
- Supranational organisations.

D. Differences in Client Protection

- Kindly refer to Section 7 of the Info Pack on the differences in protection provided across the various client categories when we assess the suitability and appropriateness of the investment services and Financial Instruments offered or demanded.
- In case you have been categorised as a retail client and we hold positions in leveraged Financial Instruments or enter into contingent liability transactions (transactions involving any actual or potential liability for you that exceeds the cost of acquiring the Financial Instrument), we shall inform you, on a portfolio basis, where the initial value of the Financial Instruments depreciates by 10% and thereafter at multiples of 10%.
- In case you have been categorised as a retail client, we shall not conclude title transfer financial collateral arrangements with you for the purpose of securing or covering your present or future, actual or contingent or prospective obligations.
- Where you have been categorised as a retail client, you may, under certain preconditions, be entitled to compensation from the Investor Compensation Fund for Clients of Banks and/or from the Investor Compensation Fund for Clients of Investment Firms.
- Upon agreement between the Parties, a professional client and/or an eligible counterparty may, under certain circumstances, be given less, and/or less frequently, information in comparison to the information provided to a retail client, regarding the costs, commissions, and fees and associated charges.

E. Change of Client Categorisation

You have the right to request in a durable medium a change of your categorization, either generally or in respect of a particular investment service, transaction or type of transaction or product, on the condition that you fulfil certain requirements and criteria. However, we reserve the right not to accept such request. Such request by you can be made either before the execution of the Investment Services Agreement or at any time during your relationship with us.

A change of categorization may also occur at our own initiative, only when you are offered a higher level of protection.

The following categorisation changes are permissible under the Law:

Initial Categorisation	Possible Changes in Categorisation
Retail Client	Professional Client
Professional Client	Retail Client
Professional Client Per Se (i.e. a client that has not been originally categorised as a Retail Client)	Eligible Counterparty
Eligible Counterparty	Professional Client
Eligible Counterparty	Retail Client

I. *Retail client to Professional client (elective professional client)*

In case you have been categorised as a retail client, you may request to be treated as a professional client, on the condition that, as a minimum, two of the following criteria are satisfied:

- you have carried out transactions in significant size (at least €10.000 per transaction), on the relevant market at an average frequency of ten (10) per quarter over the previous four (4) quarters,
- the size of your investment portfolio, including cash deposits and Financial Instruments, exceeds €500.000,
- you work or have worked in the financial sector for at least one (1) year in a professional position, which requires knowledge of the transaction or services envisaged.

We may not automatically accept to treat as professional clients those who meet two or more of these criteria, but we will act with a reasonable and careful manner that is consistent with our overarching duty to act in the best interest of our clients and depending on the circumstances, a more thorough analysis of your expertise, experience and knowledge may be required.

In the case of legal persons (e.g., small entities) or where a private individual is represented by another person (e.g., through a power of attorney), the person subject to an assessment for client categorisation purposes shall be the person authorised to carry out transactions on behalf of the entity or the natural person.

By changing client categorisation from retail client to professional client, you will waive the highest level of protection and information provided to retail clients.

In case it is ascertained that you no longer fulfil the criteria under which you had been classified as a professional client, we should re-categorise you as a retail client and inform you accordingly.

II. *Professional client to Retail client*

In case you are deemed to be a professional client per se, you are entitled to request to be treated as a retail client, to receive a higher degree of protection, if you consider that you are not able to properly assess or manage the risks involved.

III. *Professional client per se to Eligible counterparty*

Only a professional client per se may request to be treated as an eligible counterparty.

By changing client categorisation from professional client to eligible counterparty, you will waive the higher level of protection and information provided to professional clients in comparison to eligible counterparties.

IV. Eligible counterparty to Professional client or Retail client

In case you have been categorised as an eligible counterparty, you have the right to request to be treated as a retail client or as a professional client, to receive a higher degree of protection, if you consider that you are unable to properly assess or manage the risks involved.

5. Conflicts of Interest Policy

Considering our size and organisation, the nature, scale and complexity of our business and the structure and business activities of the Group, we have established, implement, and maintain a comprehensive conflicts of interest policy, in order to identify and prevent or manage the conflicts of interest arising in relation to our various business lines and the Group's activities.

A. Definition of conflict of interest

A conflict of interest is a conflict that may arise, while we are providing an investment or related ancillary service, or a combination thereof:

- between us, including our managers, employees and tied agents or any person directly or indirectly linked to us by control (e.g., our shareholders, business partners, subsidiaries), and our existing, potential, or past clients (where fiduciary or other duties remain in place), or
- between our existing, potential, or past clients.

B. Summary of Conflicts of Interest Policy

1. Identification, prevention, and management of conflicts of interest

Generally, we take all reasonable and appropriate steps to identify conflicts of interest and to prevent, in the first place, such conflicts from adversely affecting your interests or to manage such conflicts.

To prevent or manage our conflicts of interest, we have thus established several organisational and administration arrangements, which include, amongst others, the following measures:

- Separate supervision and segregation of departments / functions / entities: to prevent and/or control the simultaneous or sequential involvement of a person in separate services or activities, where such involvement may lead to situations of conflicts of interest or may impair the proper management of conflicts.
- Option to refuse provision of services: where services are already provided to a client and it is obvious that, by the provision of services to another new client, a conflict of interest may arise, which cannot be dealt with effectively, we may refuse to provide services to the second client.
- Management of confidential and other information: a system of 'Chinese Walls' is applied, to prevent the transfer of confidential information between departments/entities of the Group. Apart from the physical segregation of different departments/entities, this system also includes the segregation of data and information technology systems of each department/entity so that the persons engaged in each department do not have a direct physical access to records and information concerning the subject matter of another department/entity and which are not considered necessary for the execution of some specific work. Consequently, employees have access only to data and information deemed necessary for the fulfilment of their duties.
- Remuneration (including non-financial remuneration, such as benefits in kind and career progression): we take measures to ensure that we do not remunerate or assess the performance of our staff in a way that conflicts with our duty to act in the best interests of our clients. Remunerating or assessing the performance of staff in a way that conflicts with the clients' best interest rule is prohibited.
- Inducements: under certain circumstances, we prohibit the payment and/or acceptance and retaining of fees, commissions and any monetary or non-monetary benefits to or from persons other than our clients (e.g., advisory firms, issuers, distributors and other third parties), unless certain criteria are met as per our inducements policy. This prohibition is intended to ensure that such fees, commissions, and benefits are not inducements and, as such, do not introduce conflicts with clients' interests by influencing the behaviour of the staff.

II. Disclosure of conflicts of interest

Where our organizational and administrative arrangements to prevent or manage our conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to your interests will be prevented, we, as a measure of last resort, shall disclose such conflicts of interest to you. In case you do not wish us to act on your behalf in such circumstances, you shall inform us in writing accordingly.

C. Additional Information

Additional details on our conflicts of interest policy are available upon request.

D. Review

We reserve the right to review and/or amend our conflicts of interest policy and related arrangements, whenever we deem this appropriate.

6. Order Execution Policy

A. Scope of application

In case you have been categorised as a retail client or as a professional client, when we execute orders on your behalf, receive and transmit your orders for execution to third parties and/or place orders with other entities for execution that result from our decisions to deal in Financial Instruments on your behalf while providing the service of portfolio management, as well as when you are legitimately relying on us to protect your interests in relation to the pricing and other elements of a transaction when we are dealing on own account while executing a client order, we will follow our order execution policy.

In case you have been categorised as an eligible counterparty, although the order execution policy does not apply to you, in our relationship with you, we will act honestly, fairly, and professionally and communicate in a way which is fair, clear, and not misleading, considering the nature of you as a client and of our business.

The order execution policy does not apply in case we publish a quote or provide a "request for quote" service and you transact with us based on that quote. However, and to protect your interests, we will follow our order execution policy if you place legitimate reliance on that quote. For us to assess your legitimate reliance, the following four criteria will be taken into consideration:

- Which party initiates the transaction.
- Market practice in the specific market and the existence of a convention to 'shop around'.
- The relative levels of price transparency within a market.
- The information provided by us and the terms of the agreement between you and us.

In addition, we do not apply our order execution policy in relation to any business or activity which we may carry out with you that falls outside the framework of the Law.

B. Best execution obligation when executing orders on your behalf

Under our order execution policy, subject to any specific instructions from you, we consider the following execution factors, to obtain the best possible result for you: price, costs, speed, likelihood of execution and settlement, size, nature, and any other consideration relevant to the execution of the order.

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 your behalf on the execution venues listed in Table 2 below and in the manner described in the order execution policy.

The facilities available in today's marketplace allow us to use a variety of methods to execute your orders, including the engagement of full services brokers, transacting directly with dealers and market makers, and making use of electronic communication networks.

We determine the relative importance of the execution factors by using our commercial judgement and experience considering the information available on the market and the following execution criteria:

- i. your characteristics, including your categorisation as a retail or a professional client,
- ii. the characteristics of your 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.

The relative importance of the execution factors varies between different Financial Instruments. However, in most circumstances, price and costs will be the most important execution factors. In some circumstances, with reference to

the execution criteria, we may appropriately determine that other execution factors have greater importance in achieving the best possible result for you, such as the means of settlement and the safeguarding of your assets.

The relative importance we place on the best execution factors and the list of factors for execution venue selection can be found in Table 1 below.

In case you have been categorised as a retail client, the best possible result will be determined in terms of the total consideration, representing the price of the Financial Instrument and the costs related to the execution, which incorporate all expenses incurred by you that are directly related to the execution of the order, including our own commission, as well as external costs, such as Execution Venue fees, taxes, exchange fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

In the case of execution of orders and decision to deal in OTC products, including bespoke products, we check the fairness of the price proposed to you, by gathering market data used in the estimation of the price of such product and, when possible, by comparing with similar or comparable products.

C. Specific instructions

Whenever you give us a specific instruction as to the execution of an order or a part of it, we execute the order following the specific instruction. The specific instruction may prevent us from taking the measures that we have designed and implemented in our order execution policy to obtain the best possible result for the execution of that order in respect of the aspects covered by your instruction. Where your instruction relates to only a part of the order, we continue to apply our order execution policy to those aspects of the order not covered by the specific instruction.

D. Best execution obligation when receiving and transmitting orders and/or placing orders while providing portfolio management services

Subject to any specific instructions from you, while providing the service of reception and transmission of orders and/or the service of portfolio management, we may transmit an order we receive from you or place an order that result from our decision to deal in Financial Instruments on your behalf to another entity of our group or to an external entity, such as a third-party broker, for execution. In doing so, we will act in your best interests and obtain the best possible result for you. Following execution of a transaction on your behalf, we will inform you where the order was executed.

We will periodically review our choice of third-party brokers to ensure that the third-party broker has execution arrangements and execution policy that enable us to comply with all our best execution requirements. A list of third-party brokers on which we place significant reliance can be found in Table 2 below.

E. Execution venues

We will generally use the execution venues listed in Table 2 below. However, we reserve the right to use other execution venues, where deemed appropriate in accordance with our order execution policy and may add or remove any execution venues from this Table 2, with the aim to obtain the best possible result for you.

We do not receive any remuneration, discount, or non-monetary benefit for routing your orders to a particular trading venue or execution venue which would infringe our obligations with regards to conflicts of interest or inducements.

With the aim of ensuring best execution, where there is more than one competing execution venue to execute an order for a Financial Instrument, we assess and compare the results that would be achieved for you by executing the order on each of the execution venues listed in Table 2 below that can execute that order. In this assessment, our own commissions, and costs for executing the order on each of the eligible execution venues shall be taken into account. We,

nonetheless, refrain from structuring or charging our commissions in such a way as to discriminate unfairly between execution venues.

Subject to any specific instructions from you, we may execute your order by one of the following methods or combination of methods:

- i. directly on a trading venue (regulated market, multilateral trading facility - MTF or organised trading facility - OTF) or, where we are not a direct member of the relevant trading venue, with a third-party participant with whom we have entered into an agreement for handling orders for that trading venue; or
- ii. outside a trading venue: (i) by executing the order directly with a market maker or other liquidity provider or another financial institution and/or (ii) by executing the order with a matching order from another client of ours; and/or (ii) with us acting as the execution venue.

We will obtain your express consent before proceeding to execute your orders outside a trading venue. This consent may be in the form of a general agreement or in respect of individual transactions.

Subject to the proper assessment of the execution criteria and execution factors referred to above, where we believe that we can act to your advantage or not put you at a disadvantage, we may be used as an execution venue. When we act as an execution venue, we will consider all the sources of reasonably available information, including the MTFs, OTFs, systematic internalisers - SIs, local exchanges, brokers, and data vendors, to obtain the best possible result for you.

CISCO considers that execution quality can be improved for all asset classes when it places orders for execution with our Group dealers situated locally, by making use of automated order routing interfaces, local knowledge and working in local time zones. Therefore, while CISCO provides the service of portfolio management, unless otherwise instructed by you, they will generally place orders that result from decisions by CISCO to deal in Financial Instruments on your behalf with our Group for execution.

However, CISCO will periodically evaluate general industry practices with respect to commission levels and rates charged by brokerage firms to ensure that charges by our Group are fair and reasonable for you.

F. Application of the Order Execution Policy

We may receive orders for execution or transmission and/or place orders in several classes of Financial Instruments such as equities, bonds, mutual funds, structured finance instruments and derivatives. The classes of Financial Instruments to which this Policy applies are shown in Table 3 below.

Orders in these instruments are executed, transmitted, or placed with any of the execution venues/brokers listed in Table 2. In so far as you have consented to the execution of trades outside of a trading venue, then we can also execute orders with 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) such as any of the execution venues/brokers listed in Table 2. The execution venues/brokers listed have been approved internally by us, based on the existing relationships, their position in the market and balance sheet strength.

Such orders are usually executed on a delivery versus payment (DVP) basis. DVP is a securities settlement system which stipulates that cash payment must be made simultaneously with the delivery of the security. This is done to avoid settlement risk between counterparties, such as where one party fails to deliver the security when the other party has already delivered the cash when settling a trade.

We will use pre- and post- trade transaction analysis tools that will allow us to keep the order execution policy as an integrated systemic part of the trading process and will also allow us to use comparison benchmarks to identify trade and trend outliers.

I. Delivery versus payment (DVP)

We have in place DVP arrangements with Clearstream Banking, a member of the Deutsche Borse Group, which is considered a global leader in post-trade securities services. Clearstream Banking's role is to ensure that cash and securities are promptly and effectively delivered between trading parties. Clearstream Banking also acts as sub custodian for us, for the safe keeping of your assets under a client's account with the Bank of Cyprus Public Company Ltd.

Furthermore, Bank of Cyprus Group has arrangements with Credit Suisse (Switzerland) Ltd to act as its sub-custodian. Credit Suisse (Switzerland) Ltd is a member of the Credit Suisse Group AG, one of the world leaders in investment banking and financial services.

II. Equity orders

Equity orders received from clients are transmitted to the counterparties shown in Table 2 through electronic means, on a DVP basis. In case orders received refer to securities that are not eligible for settlement and safekeeping with Clearstream, these may be safe kept with Credit Suisse.

The selection of where to transmit the order depends upon several factors, such as:

- i. The cost of execution for us.
- ii. The capability of execution on various venues (e.g., Asia, Latin America, Hong Kong etc.).
- iii. Your specific instructions.
- iv. The extent of manual handling required.

Different entities within the Group have different ways of handling equity orders.

Orders for equities listed on the Cyprus Stock Exchange when received by the Bank of Cyprus Public Company Ltd are transmitted to CISCO.

CISCO is a direct member of the Cyprus Stock Exchange and a remote member of the Athens Stock Exchange ('ATHEX'). Equity orders received by CISCO for the Cyprus Stock Exchange and ATHEX are executed via the common trading platform while equity orders for international markets are executed through ATHEX (XNET network) and the Global e-Trading platform (see point VII below).

We have arrangements in place with all our counterparties on equities and require such counterparties to provide best execution to your orders.

III. Bond orders

Where liquidity is available, orders are largely executed directly with an approved counterparty through an MTF on a request for quote basis to determine the most competitive overall pricing for the size of order concerned.

CISCO also executes orders on bonds traded in the Cyprus Stock Exchange and Athens Exchange through the common trading platform and on bonds traded in other international markets through the Global eTrading platform.

Where there is not enough liquidity on a specific bond or there are no prices available, we will transmit an order for execution to one of the listed executed venues/brokers as shown in Table 2. The counterparty will be chosen based on the trading relationship that exists, its status in the specific market and the ability to execute with many names globally that will allow the execution at the most favourable terms. The most important execution factor is the price at which the relevant financial instrument is executed at.

IV. Mutual funds orders

All your orders received, for subscription of or redemption from mutual funds, are transmitted for execution to the fund houses through Clearstream's electronic platform, Vestima. Vestima has been selected by us, since it delivers a suite of investment fund services supporting the cross-border distribution needs of the investment fund industry around the

globe. It provides a gateway to global funds solutions ranging from order routing, centralised DVP settlement, safekeeping, and asset servicing to collateral management. You benefit from a streamlined process regardless of the variety of markets and investment funds involved. Vestima provides a single-entry point and standardised process for all fund transactions - mutual funds and hedge funds. It is the world's largest cross-border fund processing platform with more than 190,000 investment funds from 43 jurisdictions.

Through Vestima, we can transmit orders placed in funds such as Invesco, Blackrock, Pimco, Franklin Templeton, Vanguard, Goldman Sachs, UBS, BNP Paribas etc.

Orders for subscription of or redemption from funds, which are not eligible for safekeeping with Clearstream and/or are not eligible for execution with Vestima, are transmitted directly to the fund house for execution (e.g., Man, Hussman Funds).

Upon execution, a trade confirmation is generated by Vestima/fund house with all the necessary details (units, amount, trade date, settlement date, name, and ISIN of the fund) and this confirmation is used to update your portfolio.

V. Alternative Investment Funds (AIFs) orders

We transmit the subscription and redemption orders for execution of units of AIFs to the AIFs' Administrator. The orders are executed pursuant to the regulations established by the management company of the AIFs.

VI. Structured Products orders

These are mainly executed with the issuing counterparty. In some cases, when there is enough liquidity for the product, other counterparties may have some holdings and, in this case, we will try to get the best possible price.

- i. Where we are acting as the executing broker:
Structured products are traded via another broker or directly with the issuing counterparty. While liquidity for those instruments is typically low compared to other securities, we will make every reasonable effort within our capacity, in order to ensure that the underlying transaction has been done at a reasonable and fair price.
- ii. Where we are acting as the issuer:
When clients transact structured products issued by us, the latter will price and execute such trades, acting in your best interests, ensuring a fair price for the transaction, given the relevant product parameters and the prevailing market environment.

VII. Derivatives orders

Derivatives could be traded on an exchange or OTC.

- i. Exchange Traded Derivatives:
Orders for execution of exchange-traded derivatives are transmitted to our execution venues listed in Table 2. Selecting where to transmit the order depends on several factors, such as:
 - The cost of execution for us
 - The capability of execution on various venues (e.g. Asia, Latin America, Hong Kong etc.)
 - Indirect clearing arrangements.
- ii. OTC Derivatives:
When we transact with clients on OTC derivatives, we price such transactions in a fair manner, given the prevailing market conditions, acting in your best interests.

In considering the delivery of best execution, it is important to note that price formation takes into consideration first the instrument price which takes into account factors including, amongst others, observable market prices, volatility and other data, models, and observable trade flows. We aim to offer best execution in terms of the instrument price and check its fairness before we propose it to you.

VIII. Electronic Trading Platform (BOCeTrader, CISCO Global eTrading)

The Bank of Cyprus Group offers the BOC eTrader and CISCO Global eTrading multi asset trading and investment platforms in a white label solution format in association with Saxo Bank Group.

For the specific products, Bank of Cyprus Group applies an Order Execution policy which depends on the Order Execution Policy of Saxo Bank which is aligned with MiFID provisions.

Additional information on the order execution policy of Saxo Bank may be found at the below link:

<https://www.home.saxo/legal/general-business-terms/saxo-general-business-terms>

G. Aggregation and allocation of orders

We may execute your order in aggregation with another client's 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 that the effect of aggregation might work to a client's disadvantage in relation to a particular order. Aggregated orders and transactions executed are allocated pro rata based on the average execution price. In case we aggregate your orders or transactions with orders or transactions executed for own account, we allocate the relevant transactions with priority being given to you, vis-a-vis us. These apply to partially executed orders as well.

H. Client order handling

When carrying out client orders:

- a) we ensure that orders executed on your behalf are promptly and accurately recorded and allocated,
- b) we carry out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or your interests require otherwise,
- c) in case you have been categorised as a retail client, we inform you about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

I. Limit orders

Where you place a limit order (an order to buy or sell a Financial Instrument at a specified price limit and for a specified size) in respect of equities admitted to trading on a regulated market or traded on a trading venue and such limit order is not immediately executed under prevailing market conditions, unless instructed otherwise, we take measures to facilitate the earliest possible execution of that order by making the order public immediately. The limit order is made public by transmitting it to a trading venue or with a data reporting services provider publishing it, for that limit order to be easily executed as soon as market conditions allow.

J. Transparency

Prior to any transaction being executed, the fees applicable for each class of Financial Instruments are provided to you. In most cases, these fees (per class) will be the same, irrespective of the execution venue used for execution/transmission. In the unlikely event of a variation between the execution fees per execution venue, we will provide fair, clear, sufficient, and not misleading information to prevent you from choosing one execution venue or entity rather than another on the sole basis of the pricing policy applied.

Furthermore, we will summarise and make public in writing and/or on the Website, for each class of Financial Instruments, and for each client category, the top five execution venues in terms of trading volumes where we executed client orders in the preceding year and information on the quality of execution obtained. This publication will be annual.

We will provide two distinct reports disclosing the top five execution venues and the top five entities (brokers) to which client orders were routed during the relevant period.

We will also publish our analysis and conclusions for each class of assets from the detailed monitoring of the quality of execution which in the case of equities will include a separation of liquid and not liquid equities. The link to the most recently published quality data is shown below:

https://www.bankofcyprus.com/home-gr/bank_gr/mifid/best-execution-reporting/

https://www.cisco-online.com.cy/globalassets/cisco/mifid-ii/rts-28/quality-of-execution-report-2021-cisco-may2022_final.pdf

K. Consent

We will obtain your prior consent to our order execution policy. You will be deemed to have provided such consent to our order execution policy in force from time to time by signing the Investment Services Agreement and/or by effecting a transaction and/or not terminating the Investment Services Agreement, following the receipt of the notice of any update / amendment of the order execution policy.

L. Review

We monitor the effectiveness of our order execution arrangements and our order execution policy to identify and, where appropriate, correct any deficiencies. We assess on a regular basis whether the execution venues included in the order execution policy provide for the best result for you on a consistent basis or whether we need to make changes to our order execution arrangements. During such assessments, we take into consideration, amongst others, the available information on trading conditions and quality of execution across different execution venues, through a series of metrics such as volume, frequency of trading, resilience, or execution price related information. In addition, using pre- and post-trade transaction analysis tools and comparison benchmarks, we identify trade and trend outliers and make the necessary adjustments.

In case we have an ongoing relationship with you, we will notify you of any material changes to such arrangements and policy (including changes to the selected execution venues and third-party brokers). Material change should be understood as a significant event of internal or external nature that could impact the parameters of best execution (cost, price, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order).

At your request, we will demonstrate to you that we have executed your orders in accordance with our order execution policy.

While providing the services of reception and transmission of orders and/or portfolio management, upon your reasonable request, we will provide you with information about the entities where the orders are transmitted or placed for execution (third party brokers).

M. Order execution policy application

The policy does not apply to foreign exchange spot transactions when converting funds from one currency to another including transactions taken to facilitate settlement of other transactions. Additionally, it does not apply to transactions arising from the exercise of an option, as this is considered as a specific instruction from a client for the exercise of a right under the option without considering the conditions of the market.

TABLE 1

Relative importance of Best Execution Factors

Equity & ETFs			Equity & ETFs		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Price	1		Price	1	
Costs	2		Costs	2	
Speed	3		Speed	3	
Likelihood of execution and settlement	4		Likelihood of execution and settlement	5	
Size	5		Size	6	
Nature	6		Nature	7	
Other consideration relevant to the execution of the order	7		Other consideration relevant to the execution of the order	4	
Bank of Cyprus Group own commissions and costs	8		Bank of Cyprus Group own commissions and costs	8	

Bonds			Bonds		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Price	1		Price	1	
Costs	2		Costs	2	
Speed	4		Speed	5	
Likelihood of execution and settlement	3		Likelihood of execution and settlement	4	
Size	5		Size	3	
Nature	6		Nature	6	
Other consideration relevant to the execution of the order	7		Other consideration relevant to the execution of the order	7	
Bank of Cyprus Group own commissions and costs	8		Bank of Cyprus Group own commissions and costs	8	

Derivatives in Interest Rates, Currencies, Equities, Commodities			Derivatives in Interest Rates, Currencies, Equities, Commodities		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Fairness of pricing component	1		Fairness of pricing component	1	
Costs	4		Costs	4	
Speed	2		Speed	2	
Likelihood of execution and settlement	5		Likelihood of execution and settlement	5	
Size	3		Size	3	
Nature	6		Nature	6	
Other consideration relevant to the execution of the order	7		Other consideration relevant to the execution of the order	7	
Bank of Cyprus Group own commissions and costs	8		Bank of Cyprus Group own commissions and costs	8	

Structured Finance Instruments			Structured Finance Instruments		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Fairness of pricing component	1		Fairness of pricing component	1	
Costs	4		Costs	4	
Speed	2		Speed	2	
Likelihood of execution and settlement	3		Likelihood of execution and settlement	3	
Size	5		Size	5	
Nature	6		Nature	6	
Other consideration relevant to the execution of the order	7		Other consideration relevant to the execution of the order	7	
BOC Group own commissions and costs	8		BOC Group own commissions and costs	8	

Options and Futures admitted to trading on a trading venue			Options and Futures admitted to trading on a trading venue		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Price	1		Price	1	
Costs	4		Costs	4	
Speed	3		Speed	3	
Likelihood of execution and settlement	5		Likelihood of execution and settlement	5	
Size	2		Size	2	
Nature	6		Nature	6	
Other consideration relevant to the execution of the order	7		Other consideration relevant to the execution of the order	7	
Bank of Cyprus Group own commissions and costs	8		Bank of Cyprus Group own commissions and costs	8	

Importance: Most important factor 1 / Least Important factor 8

List of Factors for Execution Venue Selection

Equity & ETFs			Equity & ETFs		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Clearing Schemes	1		Clearing Schemes	1	
Accessibility	2		Accessibility	2	
Scheduled Actions	4		Scheduled Actions	5	
Ability to offer specific safekeeping arrangements	3		Ability to offer specific safekeeping arrangements	4	
Experience to the relevant market	5		Experience to the relevant market	3	
Bank of Cyprus own commissions and costs	6		Bank of Cyprus own commissions and costs	6	
Other relevant consideration	7		Other relevant consideration	7	

Bonds			Bonds		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Clearing Schemes	1		Clearing Schemes	1	
Accessibility	2		Accessibility	2	
Scheduled Actions	4		Scheduled Actions	5	
Ability to offer specific safekeeping arrangements	3		Ability to offer specific safekeeping arrangements	4	
Experience to the relevant market	5		Experience to the relevant market	3	
Bank of Cyprus own commissions and costs	6		Bank of Cyprus own commissions and costs	6	
Other relevant consideration	7		Other relevant consideration	7	

Derivatives in Interest Rates, Currencies, Equities, Commodities			Derivatives in Interest Rates, Currencies, Equities, Commodities		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Clearing Schemes	1		Clearing Schemes	1	
Accessibility	2		Accessibility	2	
Scheduled Actions	4		Scheduled Actions	5	
Ability to offer specific safekeeping arrangements	3		Ability to offer specific safekeeping arrangements	4	
Experience to the relevant market	5		Experience to the relevant market	3	
Bank of Cyprus own commissions and costs	6		Bank of Cyprus own commissions and costs	6	
Other relevant consideration	7		Other relevant consideration	7	

Structured Finance Instruments			Structured Finance Instruments		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Clearing Schemes	1		Clearing Schemes	1	
Accessibility	2		Accessibility	2	
Scheduled Actions	4		Scheduled Actions	5	
Ability to offer specific safekeeping arrangements	3		Ability to offer specific safekeeping arrangements	4	
Experience to the relevant market	5		Experience to the relevant market	3	
Bank of Cyprus own commissions and costs	6		Bank of Cyprus own commissions and costs	6	
Other relevant consideration	7		Other relevant consideration	7	

Options and Futures admitted to trading on a trading venue			Options and Futures admitted to trading on a trading venue		
Retail Clients			Professional Clients		
Factors	Importance	Explanation	Factors	Importance	Explanation
Clearing Schemes	1		Clearing Schemes	1	
Accessibility	2		Accessibility	2	
Scheduled Actions	4		Scheduled Actions	5	
Ability to offer specific safekeeping arrangements	3		Ability to offer specific safekeeping arrangements	4	
Experience to the relevant market	5		Experience to the relevant market	3	
Bank of Cyprus own commissions and costs	6		Bank of Cyprus own commissions and costs	6	
Other relevant consideration	7		Other relevant consideration	7	

Importance: Most important factor 1 / Least Important factor 7

TABLE 2: Bank of Cyprus Group Execution Venues/Brokers

Financial Instrument	Execution Venue / Transmission Venue Third Party Brokers
Equities and Exchange Traded Funds	
	Bank of Cyprus PCL
	CISCO
	StoneX Financial Ltd
	Credit Suisse (Schweiz) AG
	Meritkapital
	Saxo Bank
	XNET (ATHEX Group)
Bonds and other forms of securitised debt	
	ABH Financial Ltd
	Athlos Capital Investment Services Ltd
	Ancoria Bank Ltd
	Astro Bank Ltd
	Bank of Cyprus
	Bondpartners SA
	Barclays Bank Ireland Plc
	Bloomberg MTF
	BNP PARIBAS SA - PARIS
	BOFA Securities Europe SA (BofASE SA)-Paris
	CENTRAL BANK OF CYPRUS
	CISCO
	CITIBANK - New York
	CitiGroup Global Markets Europe AG
	Credit Suisse Bank (Europe) SA
	Cyprus Development Bank PCL
	Cyprus Stock Exchange
	Deutsche Bank AG, Frankfurt
	Eurobank S.A.-Athens
	Goldman Sachs Bank Europe SE - Frankfurt
	Hellenic Bank Ltd
	HSBC Continental Europe-Paris
	ING Group-Internationale Nederlanden Groep NV
	ING Bank NV Netherlands
	Intesa San Paolo SPA Milan
	Stone X Financial Ltd
	JP Morgan SE -Frankfurt
	KBC Bank NV
	Leonteq AG
	MERITKAPITAL

Mitsubishi UFJ Investor Services & Banking (Luxembourg) SA
Morgan Stanley Europe SE
Natixis SA- France
Nomura Financial Products Europe GmbH
Optima Bank SA
Raiffeisen Bank International AG
Raiffeisen Centrobank AG
Saxo Bank
Shore Capital Stockbrokers Ltd (SHORE CAPITAL GROUP LTD)
SOCIETE GENERALE SA - Paris
TD Global Finance - Ireland
UBS AG - Zurich
UBS Europe SE
Money Market Instruments (amongst others, Treasury Bills, Certificates of Deposit, Commercial Paper)
ABH Financial Ltd
Athlos Capital Investment Services Ltd
Ancoria Bank Ltd
Astro Bank Ltd
Bank of Cyprus
Bondpartners SA
Barclays Bank Ireland Plc
Bloomberg MTF
BNP PARIBAS SA - PARIS
BOFA Securities Europe SA (BofASE SA)-Paris
CENTRAL BANK OF CYPRUS
CISCO
CITIBANK - New York
CitiGroup Global Markets Europe AG
Credit Suisse Bank (Europe) SA
Cyprus Development Bank PCL
Cyprus Stock Exchange
Deutsche Bank AG, Frankfurt
Eurobank S.A.-Athens
Goldman Sachs Bank Europe SE - Frankfurt
Hellenic Bank Ltd
HSBC Continental Europe-Paris
ING Group-Internationale Nederlanden Groep NV
ING Bank NV Netherlands
Intesa San Paolo SPA Milan
Stone X Financial Ltd

	JP Morgan SE -Frankfurt
	KBC Bank NV
	Leonteq AG
	MERITKAPITAL
	Mitsubishi UFJ Investor Services & Banking (Luxembourg) SA
	Morgan Stanley Europe SE
	Natixis SA- France
	Nomura Financial Products Europe GmbH
	Optima Bank SA
	Raiffeisen Bank International AG
	Raiffeisen Centrobank AG
	Saxo Bank
	Shore Capital Stockbrokers Ltd (SHORE CAPITAL GROUP LTD)
	SOCIETE GENERALE SA - Paris
	TD Global Finance - Ireland
	UBS AG - Zurich
	UBS Europe SE
Options, futures, swaps, forward rate 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	
	UBS
	NatWest Markets
	Commerzbank AG
	Credit Suisse
	BNP Paribas
	HSBC Bank
	ING
	Intesa Sao Paolo
	Bank of Cyprus
	CISCO
	Bank of America Merrill Lynch
	Barclays
	Deutsche Bank AG
	Citibank
	JP Morgan Chase
	Goldman Sachs
	KBC Bank
	Saxo Bank
	Raiffeisen
	Leonteq

	Morgan Stanley
	Nomura
	Société Générale
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)	
	Credit Suisse
	Goldman Sachs
	JP Morgan
	Morgan Stanley
	Société Générale
	UBS
	Bank of Cyprus
	CISCO
	Bank of America Merrill Lynch
	Barclays
	BNP Paribas
	Citibank
	Commerzbank AG
	Saxo Bank
	Raiffeisen
	Leonteq
	Deutsche Bank AG
	HSBC Bank
	Intesa Sao Paolo
	ING
	KBC Bank
	NatWest Markets
	Nomura
Derivative instruments for the transfer of credit risk	Saxo Bank
	Raiffeisen Centro Bank
	Leonteq
	Credit Suisse
Physical Delivery of precious metals	Saxo Bank
Mutual Funds, Hedge Funds	Clearstream
BOC eTrader	Saxo Bank
CISCO Global eTrading	Saxo Bank
CISCO Online	Cyprus Stock Exchange / ATHEX Group

TABLE 3 - Classes of financial instruments

a)	Equities – Shares & Depository Receipts	
b)	Debt instruments	<ul style="list-style-type: none"> • Bonds • Money markets instruments
c)	Interest rates derivatives	<ul style="list-style-type: none"> • Futures and options admitted to trading on a trading venue • Swaps, forwards, and other interest rates derivatives
d)	Currency derivatives	<ul style="list-style-type: none"> • Futures and options admitted to trading on a trading venue • Swaps, forwards, and other currency derivatives
e)	Equity Derivatives	<ul style="list-style-type: none"> • Options and Futures admitted to trading on a trading venue • Swaps and other equity derivatives
f)	Commodity Derivatives	<ul style="list-style-type: none"> • Options and Futures admitted to trading on a trading venue • Swaps and other commodity derivatives
g)	Securitized Derivatives	<ul style="list-style-type: none"> • Warrants and Certificate Derivatives • Other securitized derivatives
h)	Structured finance instruments	
i)	Exchange traded products (Exchange Traded Funds, Exchange Traded Notes)	
j)	Credit derivatives	<ul style="list-style-type: none"> • Credit Default Swaps (CDS) • Collateralised Debt Obligations (CDO) • Credit Linked Notes • Other credit derivatives
k)	Contracts for differences	
l)	Emission allowances	

7. Assessment of appropriateness and suitability

Within the context of providing investment services to you, we perform specific tests to assess whether the investment services and/or Financial Instruments are suitable or appropriate for you. Depending on the client's categorisation and the respective investment service provided, the tests applied focus on examining your knowledge and experience, investment objectives and financial situation, as depicted in the following table:

	Reception and Transmission of Orders and/or Execution of Orders		Investment Advice and/or Portfolio Management	
	Retail Client	Professional Client	Retail Client	Professional Client
Knowledge and Experience	✓		✓	✓*
Investment Objectives			✓	✓
Financial situation			✓	✓*

*Required only for some professional clients

In case you have been categorised as an eligible counterparty, we will not perform the appropriateness and/or suitability tests.

A. Appropriateness test

When is the appropriateness test performed?

When you have been categorised as a retail client and we provide to you investment services other than investment advice and/or portfolio management, we shall assess whether the investment service or Financial Instrument envisaged is appropriate for you. Where a bundle of investment services or Financial Instruments, as part of a package or as a condition for the same agreement or package, is envisaged to be provided to you, in our assessment, we will consider whether the overall bundled package is appropriate.

To perform the appropriateness test, you will be requested to provide information regarding your knowledge and experience in the investment field relevant to the specific type of Financial Instrument or investment service offered or demanded.

Where we consider, since the information received, that the investment service or Financial Instrument envisaged is not appropriate for you, we shall warn you accordingly.

Where you fail to provide, or do not provide information, which is up to date, complete, accurate and sufficient regarding your knowledge and experience, we shall warn you that we are not in a position to determine whether the investment service or Financial Instrument envisaged is appropriate for you.

If, despite any of the warnings mentioned above, you still wish to proceed with the specific investment service or Financial Instrument, you must indicate to us, in writing, through a recorded line or through an online / electronic platform, your choice to proceed with the specific transaction despite the said warning. We will then decide, at our absolute discretion, whether to accept to act or not. In case we accept to act, we shall draw your attention in writing,

through a recorded line or through an online / electronic platform, that the investment service or Financial Instrument envisaged may not be appropriate for you and you may be exposed to risks that fall outside your knowledge and experience and/or which you may not have the knowledge and experience to properly assess and/or control by way of mitigating the consequences of such risks for you.

Where the client is a group of two or more natural persons (as may be the case for joint accounts), information on the knowledge and experience of all persons constituting the client will be obtained, to ensure that the product envisaged is appropriate for all those persons.

When is the appropriateness test not performed?

In case you have been categorised as a professional client per se, we are entitled to assume that you have the necessary experience and knowledge to understand the risks involved in relation to the particular investment services or transactions, or types of transaction or Financial Instrument, for which you are classified as a professional client. Consequently, and unlike the situation with a retail client, we will not generally need to obtain additional information from you for the purposes of the assessment of appropriateness for those Financial Instruments and investment services for which you are classified as a professional client.

In case you have been categorised as an elective professional client we will not presume that you possess market knowledge and experience comparable to that of per-se professional clients. Depending on the circumstances of each case, e.g., the category of the products you intend to trade, your expertise and knowledge, it will remain at our discretion whether to carry out the appropriateness test or not.

Information on the appropriateness assessment is updated before a transaction is concluded in relation to a complex product when such assessment is more than a year old. We may send the previously filled questionnaire to you and request confirmation that it remains accurate, complete, and up to date. If we are aware that your circumstances have changed, we will request you to complete a new appropriateness questionnaire. Additionally, the appropriateness test will not be performed in case you have been categorised as an eligible counterparty.

Where we provide, at your initiative, investment services that only consist of the reception and transmission and/or execution of your orders, with or without the provision of ancillary services, in relation to non-complex Financial Instruments, we may provide those investment services to you without carrying out an appropriateness test. This means that, under such circumstances, we are not obliged to assess the appropriateness of the Financial Instrument offered or the Service provided to you, but we will, at all times, comply with our conflicts of interest policy.

Examples of complex Financial Instruments constitute, amongst others, the following:

- (a) Shares in non-UCITS collective investment undertakings and shares that embed a derivative.
- (b) Bonds or other forms of securitised debt that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved.
- (c) Money market instruments that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved.
- (d) Shares or units in structured UCITS (UCITS which provide investors, at certain predetermined dates, with algorithm-based payoffs that are linked to the performance, or to the realisation of price changes or other conditions, of financial assets, indices, or reference portfolios or UCITS with similar features).

Apart from the specific examples mentioned above as complex, the following Financial Instruments are considered, amongst others, as non-complex:

- (a) Shares admitted to trading on a regulated market or an equivalent third-country market or on an MTF, where those are shares in companies.
- (b) Bonds or other forms of securitised debt admitted to trading on a regulated market or an equivalent third-country market or on an MTF.

- (c) Money market instruments.
- (d) Shares or units in UCITS.

B. Suitability test

When is the suitability test performed?

Where you have been categorised as a retail client and/or professional client and we provide investment advice and/or portfolio management to you, to enable us to act in your best interests, we are obliged to ask you to provide information regarding:

- (a) your knowledge and experience in the investment field relevant to the specific type of Financial Instrument or service to ensure you understand the risks involved in the transaction or in the management of the portfolio,
 - (b) your financial situation, including your ability to bear losses, and
 - (c) your investment objectives, including your risk tolerance,
- to enable us to recommend to you the investment services and the Financial Instruments that are suitable for you and are in accordance with your investment risk tolerance and profile and ability to bear losses.

Nonetheless, where you have been categorised as a professional client *per se*, we are entitled to assume that you have the necessary experience and knowledge to understand the risks involved in relation to the particular investment services or transactions, or types of transaction or Financial Instrument, for which you are classified as a professional client *per se*.

If you have been categorised as an elective professional client, you will not be presumed to possess market knowledge and experience comparable to that of *per-se* professional clients. Depending on the circumstances of each case, it will remain at our discretion whether to consider that you have the necessary knowledge and experience for the purposes of the suitability assessment.

Where you have been categorised as a professional client *per se* (not an elective professional client) and we provide investment advice to you, we are entitled to assume that you are able financially to bear any related investment risks consistent with your investment objectives.

The suitability test will not be performed in case you have been categorised as an eligible counterparty.

Where we provide investment advice recommending a package of investment services or Financial Instruments bundled as part of a package or as a condition for the same agreement or package, the suitability test is performed for the overall bundled package.

Who is subject to the suitability test?

- In general, the person signing the Investment Services Agreement with the Group will be subject to the suitability assessment.
- Where a natural person is represented by another natural person, the financial situation and investment objectives should be those of the natural person who is represented. The knowledge and experience should be those of the representative of the natural person. The natural person who is represented needs to be aware that the knowledge and experience of the representative will affect the investment advice to be provided and the products to be recommended.
- In case a client is a legal entity, the financial situation and investment objectives should be those of the legal entity. The knowledge and experience are those of the person authorised to carry out transactions on behalf of the entity.

The legal entity needs to be aware that the knowledge and experience of the representative will affect the investment advice to be provided and the products to be recommended.

- Where the client is a group of two or more natural persons (as may be the case for joint accounts), the client has the choice to designate a representative for the purpose of the suitability assessment i.e., to decide the person/s from whom the information on knowledge and experience or on the financial situation should be collected or on defining their investment objectives.

Where a representative is designated, the following should apply:

- the financial situation and investment objectives should be those of the natural person(s) who is represented (the underlying client(s)), while
- the knowledge and experience should be those of the representative.

The group of clients who are represented need to be aware that the knowledge and experience of the representative will affect the investment advice to be provided and the products to be recommended.

- Where the parties involved have difficulties in deciding the person/s from whom the information on knowledge and experience or on the financial situation should be collected or on defining their investment objectives, and no representative is designated, the Group adopts the most prudent approach. Thus, information should be collected from, and the suitability assessment should be performed for, each individual client in the group and the person with the weakest financial situation, the most conservative investment objectives and the person authorised to carry out transactions with the least experience and knowledge should be considered. In case of disagreement between the persons constituting the client, the Group may decide not to provide investment advice or portfolio management. Considering an average profile of the level of knowledge and competence of all the persons of the group is not permitted.
- Where the same client has multiple portfolios, the investment objectives should be assessed separately for each portfolio, based on the preferences of the client with whom the Investment Services Agreement is signed. The financial situation should be assessed as a whole, for all portfolios, except in case where the client wants to meet specific financial obligations by withdrawing assets from specific portfolios.
- In all cases, the best interests of all persons concerned and their need for protection should be taken into consideration

Periodic assessment of suitability when providing investment advice/portfolio management to a retail/professional client

In case you have been categorised as a retail client and we provide investment advice/portfolio management services to you, we shall perform a periodic assessment of suitability at least biennially i.e., every two years as well as when the market conditions and/or your preferences, objectives and other characteristics indicate that a more frequent assessment is required to ensure that information remains up to date. In case you have been categorised as a professional client and we provide you with investment advice and/or portfolio management services, we shall perform a periodic assessment of suitability at least every three years as well as when the market conditions and/or your preferences, objectives and other characteristics indicate that a more frequent assessment is required to ensure that information. The information previously collected by you will be subject to reassessment only where you inform us of a change to your preferences, objectives, and other characteristics. Any updated recommendations shall be communicated to you in writing.

Periodic assessment of suitability when providing portfolio management services to a retail client

In case you have been categorised as a retail client and we provide portfolio management services to you, we shall perform a periodic assessment of suitability which will contain an updated statement on how the investment meets your preferences, objectives, and other characteristics.

8. Investment advice

A. Non-independent investment advice provided by BOC

When BOC provides investment advice to you, such advice shall be provided on a non-independent basis, since the advice is based on a more restricted analysis of different types of Financial Instruments and the range is limited to Financial Instruments issued or provided by entities having close links with BOC or any other legal or economic relationships, such as contractual relationships, with BOC.

When providing investment advice to you, BOC will offer either model portfolios, considering mostly mutual funds of fund houses with which BOC has distribution / private placement agreements, or bespoke advice portfolios, which could include an enhanced range of products.

B. Independent investment advice provided by CISCO

When CISCO provides investment advice to you, such advice shall be provided on an independent basis, since the advice is based on a broad analysis of different types of Financial Instruments. CISCO assesses a sufficient range of Financial Instruments available on the market, sufficiently diverse regarding their type and issuers or product providers, to ensure that your investment objectives can be suitably met. CISCO's assessment is not limited to Financial Instruments issued or provided by CISCO itself or by entities having close links with CISCO or other entities with which CISCO has such close legal or economic relationships, such as contractual relationships, as to pose a risk of impairing the independent basis of the advice provided.

9. Client financial instruments and funds

A. Provision of custody services

BOC and CISCO offer global custody services to their clients. Apart from the ancillary service of safekeeping clients' Financial Instruments and funds, global custody services include, amongst others, the clearing, and cash settlement of transactions in Financial Instruments and the processing of corporate actions, such as collection of dividend payments and bond coupons, participation in capital increases and initial public offerings.

For financial instruments traded in foreign markets i.e., not including Cyprus and Greece, the services of safekeeping and custodianship services are provided by BOC and/or CISCO via third party custodians (sub-custodians).

For financial instruments traded in the Cyprus Stock Exchange or Athens Exchange, the above services are provided via the Group entities' direct membership as official custodians and general operators in the Central Securities Depositories of the above exchanges.

BOC and CISCO have each appointed a single officer of sufficient skill and authority with specific responsibility for matters relating to the compliance with their obligations regarding the safeguarding of client financial instruments and funds.

B. Steps to ensure protection of your Financial Instruments and funds held by us

When holding your Financial Instruments and funds, we take adequate steps to ensure their protection and safeguard your ownership rights. In particular:

- We keep records and accounts enabling us at any time and without delay to distinguish assets held for you from assets held for any other client and from our own assets. This is achieved with you owning individual portfolios in our systems and with our staff who handle your assets not handling assets held on own account.
- We maintain our records and accounts in a way that ensures their accuracy and their correspondence to the Financial Instruments and funds held for you.
- We conduct, on a regular basis, reconciliations between our internal accounts and records and those of any third parties by whom those assets are held. In determining the term regular basis, we consider the nature, volume, and complexity of the business and where and with whom assets are held.
- If you are a client of CISCO:
 - Unless you have chosen a third-party custodian on your own, your Financial Instruments, such as stocks, bonds, ETFs, warrants and rights, which are traded on the Cyprus Stock Exchange and ATHEX are deposited for safekeeping with CISCO.
 - Your Financial Instruments traded on platforms of Saxo Bank A.S. are deposited for safekeeping with Saxo Bank A.S., with the latter acting as a third-party custodian of CISCO's choice. Kindly note that Saxo Bank A.S. at present uses primarily Citibank, N.A. as their sub-custodian; however, the choice of Saxo Bank A.S.'s sub-custodian rests entirely with Saxo Bank A.S.
 - Your Financial Instruments traded on the XNET Network are deposited for safekeeping with ATHEXCSD, with the latter acting as a third-party custodian of CISCO's choice. Kindly note that ATHEXCSD at present uses primarily Citibank, N.A. as their sub-custodian; however, the choice of ATHEXCSD's sub-custodian rests entirely with ATHEXCSD.
 - Your Financial Instruments, in relation to which your orders are executed through BOC, are deposited for safekeeping with BOC, with the latter acting as a third-party custodian of CISCO's choice.

- If you are a client of BOC:
 - Unless you have chosen a third-party custodian on your own, your Financial Instruments, such as equities and bonds, which are traded on the Cyprus Stock Exchange, are deposited for safekeeping with BOC.
 - Unless you have chosen a third-party custodian on your own, your structured finance products which are issued by Man Group Plc Investment management company are deposited for safekeeping with BOC.
 - Subject to the abovementioned, the following Financial Instruments may be deposited for safekeeping with the following third-party custodians of BOC's choice:
 - All your financial instruments, such as equities, bonds, units in collective investment schemes and hedge funds as well as structured finance products may be deposited for safekeeping with Clearstream Banking S.A. and Credit Suisse (Switzerland) Ltd.
 - Equities and bonds may be deposited for safekeeping with HSBC.
- Where your Financial Instruments are deposited for safekeeping with us, we shall exercise only the same degree of care as if they were our property and collect funds or other property paid or distributed in respect of your investments as we would do in respect of similar property of our own. Your Financial Instruments are identifiable separately from the Financial Instruments belonging to us and/or to our other clients, by means of differently titled accounts on our books. Thus, in the unlikely event of our insolvency, your Financial Instruments are safeguarded and will not form part of our property. If, however, the available quantity of specific Financial Instruments is insufficient, in case you are entitled to such Financial Instruments, you shall bear a proportionate share in the loss, unless the loss may be covered by Financial Instruments of the same nature belonging to us.
- Where your Financial Instruments and assets are deposited for safekeeping with a third-party custodian of our choice, we take the necessary steps to ensure that your Financial Instruments can be identifiable separately from the Financial Instruments belonging to us or to the third-party custodian, by means of differently titled accounts on the books of the third-party custodian or by other equivalent measures that achieve the same level of protection. Your Financial Instruments held by each third-party custodian shall be identified in our books and records as belonging to you. We exercise all due skill, care and diligence during the selection, appointment, and periodic monitoring of the third-party custodian and of the arrangements for the holding and safeguarding of Financial Instruments.
- In case the third-party custodian is in a jurisdiction outside Cyprus, particularly in emerging and undeveloped markets, the Financial Instruments which are deposited to the third-party custodian shall be subject to the law of the jurisdiction governing the third-party custodian and your rights relating to those Financial Instruments may differ from those existing within Cyprus. Hence, your Financial Instruments may not be as well protected as they would be in Cyprus, since laws and market practices may restrict segregation or separate identification or prevent you from retaining any proprietary interest in your investments. In the event of the insolvency of the third party custodian, the said Financial Instruments shall be, under the laws of many countries, safeguarded, subject to the risk that the available quantity of specific Financial Instruments may be insufficient. However, it is possible that your Financial Instruments are not identifiable separately from the Financial Instruments of the third-party custodian and in case of its insolvency, these Financial Instruments to form part of the third-party custodian's property.
- We specifically draw your attention to the possibility that your Financial Instruments may be held by a third-party custodian in an omnibus account and accordingly this may result in your ownership of the Financial Instruments not being separately identifiable in the relevant books of the third-party custodian and, in the event of the insolvency of the third-party custodian, the said Financial Instruments may form part of the third-party custodian's property.
- We may, where we consider appropriate, deposit for safekeeping your Financial Instruments to a third-party custodian in a third country (a country which is not a member of the European Union) only if:
 - a) the third country concerned regulates and supervises the holding and safekeeping of Financial Instruments for the account of another person, or

- b) the nature of the Financial Instruments or of the services connected with these Financial Instruments requires them to be deposited with a third-party custodian in that third country, or
- c) in case you have been categorised as a professional client or an eligible counterparty, you have requested in writing from us to deposit them to a third-party custodian in that third country.

In such case, your Financial Instruments will be subject to the laws of that third country and your rights relating to your investments may be different from rights relating to investments subject to the settlement, legal and regulatory requirements of applicable law in Cyprus.

- In case your Financial Instruments are deposited for safekeeping with a third-party custodian, the latter may have a security interest, lien or right of set-off on or in relation to these Financial Instruments. However, a third party custodian cannot exercise security interests, liens or rights of set-off over your Financial Instruments and/or funds enabling such third party to dispose of your Financial Instruments and/or funds, in order to recover debts that do not relate to you or the provision of Services to you, unless this is required by applicable law in a third country jurisdiction in which your Financial Instruments and/or funds are held.
- Where your Financial Instruments and assets are deposited for safekeeping with a third-party custodian of your choice, you should carefully review the relevant agreement of the third-party custodian and make your own determination as to whether you wish to be bound by it. We recommend that you consult your legal advisor and/or obtain such other independent advice you consider necessary in respect of the agreement and any other documentation of the third-party custodian before you execute such documentation and/or agreement.
- We do not conclude title transfer financial collateral arrangements with you for the purpose of securing or covering your present or future, actual or contingent or prospective obligations.
- We do not otherwise use Financial Instruments held by us on your behalf for our own account or the account of any other person or client.
- When CISCO holds your funds, it makes adequate arrangements to safeguard your rights; hence, it prevents the use of your funds for its own account. In cases such funds are held in a client pooled account in CISCO's name, these funds will not be used for any own-account purpose.

C. Global custody services

Where we provide global custody services in accordance with the Investment Services Agreement, the following, amongst others, will apply:

- The Custody Account will be in your name, and we will maintain records indicating that the Investments do not belong to us and will ensure that the Investments are segregated from our own assets. Thus, in the event of our insolvency, your Investments shall be safeguarded and shall not form part of our property.
- The Cash Account will be in your name or such other name as you reasonably designate and will be held by BOC as a banker and/or, where you are a client of CISCO, in our account (clients' account).
- Investments which are registrable Investments will, absent contrary Instructions, be registered in one of the following names:
 - (i) your name,
 - (ii) our name, on behalf of you,
 - (iii) the name of an Affiliate nominee company of ours,
 - (iv) the name of a Sub-Custodian, or
 - (v) the name of a nominee company of a Sub-Custodian.

- Investments will only be registered in our name or in the name of a Sub-Custodian where, due to the nature of the law or market practice of the applicable jurisdiction, we have taken reasonable steps to determine that it is in your best interests to do so, or that it is not feasible to do otherwise. In such circumstances, you are informed that, as a consequence of registering or recording legal title to Investments in our name or in the name of a Sub-Custodian, the Investments concerned may not be as well protected in the event of our failure or the failure of the Sub-Custodian from claims made on behalf of their general creditors.
- Where your Investments are in bearer form, we will keep the relevant documents of title separately from any documents of title in bearer form that belong to us.
- We will not borrow or lend Investments held for you as custodian or enter into sale and repurchase transactions in respect of such Investments, or use any such Investments for our own account, or hold such Investments as collateral for other Transactions or for the account of any other client, without your written consent and on terms to be separately agreed.

D. Summary details of investor compensation or deposit guarantee schemes

I. Investment protection

BOC is a member of the Investor Compensation Fund for Clients of Banks ('ICF for clients of Banks'), while CISCO is a member of the Investor Compensation Fund for Clients of Investment Firms ('ICF for clients of IFs'). Both the ICF for clients of Banks and the ICF for clients of IFs (together referred to as the 'Funds') were established under the Investment Firms (IF) Law 2002, as amended, and have been operating as private law legal entities since 2004.

Object of the Funds:

The object of the Funds is to secure your claims, in case you fall within the covered clients, against us, being the members of the Funds, by the payment of compensation for your claims arising from the covered services provided by us, so long as our failure to fulfil our obligations has been ascertained.

Failure by us to fulfil our obligations consists of our failure to:

- either return to you, as covered clients, funds owed to you or funds which belong to you but are held by us, directly or indirectly, in the context of the provision by us to you of covered services, and which you requested us to return,
- or hand over to you, as covered clients, Financial Instruments which belong to you and which we hold, manage, or keep on your account, including circumstances where we are responsible for the administrative management of the said Financial Instruments.

Covered services:

Covered services are all the investment services and activities of Part I of Appendix I of Law 87(I)/2017 in relation to any of the Financial Instruments and the ancillary service of point 1 of Part II of Appendix I of Law 87(I)/2017.

Covered clients:

Covered clients are the clients of BOC/CISCO to whom the covered services are provided, except those who are included in the following categories of investors:

- Institutional and professional investors such as:
 - investment firms, as defined in Law 87(I)/2017,
 - credit institutions, as defined in Regulation (EU) No 575/2013,
 - financial institutions, as defined in Regulation (EU) No 575/2013,
 - insurance companies,
 - collective investment undertakings,
 - pension and retirement funds, and
 - clients categorised as professional clients, upon their request.

2. Supranational institutions, government, and central administrative authorities.
3. Provincial, regional, local, and municipal authorities.
4. Our directors, managers and personally liable members, persons holding 5 % or more of our capital, persons responsible for carrying out the statutory audits of our accounting documents and investors with similar status in other firms within the same group as we are.
5. Close relatives and third parties acting on behalf of the investors referred to in point 4.
6. Other firms in the same group.
7. Investors who have any responsibility for or have taken advantage of certain facts relating to us which gave rise to our financial difficulties or contributed to the deterioration of our financial situation.
8. Companies which are of such a size that they are not permitted to prepare a summary balance-sheet in accordance with the Companies Law, Cap.113 or a corresponding law of a member state of the European Union.

Prerequisites for initiating the procedure for compensation payment:

The Funds initiate the compensation payment procedure when at least one of the following prerequisites is fulfilled:

- (a) our competent authority, the Central Bank of Cyprus or the Cyprus Securities and Exchange Commission, as applicable, has determined that we are for the time being unable to meet our obligations arising from our clients' claims, in connection with the covered services we have provided, as long as such inability is directly related to our financial position which has no realistic prospect of improvement in the near future, or
- (b) a court, based on grounds directly related to our financial position, has made a ruling which has the effect of suspending the clients' ability to lodge claims against us.

Calculating the amount of payable compensation:

The amount of compensation payable to each covered client, is calculated in accordance with the legal and contractual terms governing the relation of the covered client with us, subject to the rules of set-off applied for the calculation of the claims between the covered client and us. The calculation of the payable compensation derives from the sum of total established claims of the covered client against us, arising from all covered services provided by us and regardless of the number of accounts of which the client is a beneficiary, the currency and place of provision of these services.

Insofar as the amount of the claim determined exceeds the amount of Euro 20,000, the claimant receives as compensation the lump sum of Euro 20,000. The total payable compensation to each covered client for the covered services may not exceed the amount of Euro 20,000.

Additional information on the formalities and preconditions relating to the payment of compensation can be obtained under:

<https://www.centralbank.cy/en/deposit-guarantee-investors-compensation-schemes/investor-compensation-fund-for-clients-of-banks>

<https://www.cysec.gov.cy/en-GB/complaints/tae/>

II. Deposit protection

BOC is also a member of the Deposit Guarantee and Resolution of Credit and Other Institutions Scheme (DGS). The purpose of the DGS is twofold: on the one hand it is to compensate the depositors of covered institutions which pay contributions, in the event that a credit institution is unable to repay its deposits; on the other hand, it is the funding of the implementation of resolution measures. The DGS covers deposits denominated in all currencies.

Deposits in Bank of Cyprus Public Company Limited are protected by	Deposit Guarantee and Resolution of Credit and Other Institutions Scheme (DGS)
Limit protection	EUR 100.000 per depositor per credit institution ⁽¹⁾

If you have more deposits at the same credit institution	All your deposits at the same credit institution are «aggregated» and the total is subject to the limit of EUR 100.000 ⁽¹⁾
If you have a joint account with other person(s)	The limit of EUR 100.000 applies to each depositor separately ⁽²⁾
Reimbursement period in case of credit institution's failure	7 working days ⁽³⁾
Currency of reimbursement	Euro
Contact	80 Kennedy Avenue, 1076 Nicosia, Tel. 22-714100 Email: cbcinfo@centralbank.cy
More information	http://www.centralbank.gov.cy/nqcontent.cfm?a_id=15255&lang=en

Acknowledgement of receipt by the depositor:

⁽¹⁾ If a deposit is unavailable because a credit institution is unable to meet its financial obligations, deposits are repaid by the DGS. This repayment covers at maximum EUR 100.000 per depositor per credit institution. This means that all deposits at the same credit institution are added up to determine the coverage level. If, for instance a depositor holds a savings account with EUR 90.000 and a current account with EUR 20.000, he or she will only be repaid EUR 100.000.

Any liabilities of the depositor to the credit institution are taken into account when calculating the repayable amount, in accordance to the provisions of Article 35 of the Bankruptcy Law, Cap.5, and the relevant contractual provisions governing the contract between the credit institution and the depositor.

In some cases (e.g., deposits resulting from real estate transactions relating to private residential properties and deposits that serve social purposes as laid down in the Regulations) deposits are protected above EUR 100.000. More information can be obtained under:

<https://www.centralbank.cy/en/deposit-guarantee-investors-compensation-schemes/deposit-guarantee-and-resolution-of-credit-and-other-institutions-scheme>

⁽²⁾ In case of joint accounts, the limit of EUR 100.000 applies to each depositor.

However, deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of EUR 100.000.

⁽³⁾ Reimbursement

The responsible Deposit Guarantee Scheme is the Deposit Guarantee and Resolution of Credit and Other Institutions Scheme (DGS), 80 Kennedy Avenue, 1076 Nicosia, Tel. 22714100, <https://www.centralbank.cy/en/deposit-guarantee-investors-compensation-schemes/deposit-guarantee-and-resolution-of-credit-and-other-institutions-scheme> It will repay your deposits up to EUR 100.000 within 7 working days at the latest.

If you have not been repaid within these deadlines, you should contact the DGS since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under: <https://www.centralbank.cy/en/deposit-guarantee-investors-compensation-schemes/deposit-guarantee-and-resolution-of-credit-and-other-institutions-scheme>

Other important information

In general, all retail depositors and businesses are covered by the DGS. Exceptions for certain deposits are stated on the website of the DGS. The Bank of Cyprus Public Company Limited will also inform you on request whether certain products are covered or not. If deposits are covered, the credit institution shall also confirm this on the statement of account.

10. Costs and associated charges

Information on the costs and associated charges, in respect of the Services provided by BOC and CISCO, are made available to you, as set out in the Investment Services Agreement.

A. Ex-ante costs & associated charges for the investment services provided to you by CISCO

Further details on the costs and charges of CISCO, while providing the services of investment advice and portfolio management, can be found below.

i. Charges for investment service(s)

	One-off charges related to the provision of an investment service	Ongoing charges related to the provision of an investment service
Investment Advice	Stamp duties as specified by the Stamp Duty Law, as such law is amended, substituted or supplemented, from time to time, which, at present, is €37. Stamp duties are payable/charged once the Investment Services Agreement is signed by all parties and the client has deposited funds in his trading account.	Investment Advice fee, which can be either (1) a flat nominal fee, or (2) up to 3% of the total daily average value of the portfolio of assets on which investment advice will be provided, excluding amounts invested in AIFs managed by CISCO. Investment advice fees are charged pro rata starting from the day the Investment Services Agreement is signed by all parties.
Portfolio Management	Stamp duties as specified by the Stamp Duty Law, as such law is amended, substituted or supplemented, from time to time, which, at present, is €37. Stamp duties are payable/charged once the Investment Services Agreement is signed by all parties and the client has deposited funds in his trading account.	Annual Management fee of up to 3% of total daily average assets under management, payable quarterly, excluding assets invested in AIFs managed by CISCO. Annual Discretionary Management fees are charged pro rata starting from the day the agreement has been signed by all parties and the client deposited funds in his account to be invested by the Company on client's behalf.

ii. Incidental Costs

Performance fees: Where it is agreed that, in addition to the management fee for the service of portfolio management, a performance fee will be payable, the performance fee will be included in the Investment Services Agreement. Performance fees are applied as a percentage of any outperformance against a benchmark.

iii. Holistic Illustration on Costs and Charges

A holistic illustration showing the cumulative effect of costs on return when providing the services of investment advice and portfolio management, including costs additional to CISCO's charges for the services of investment advice and portfolio management, such as execution and/or custody costs, shall be provided to you both on an ex-ante and ex-post basis. Such an illustration on an ex-ante basis will be provided to you prior to the provision of the services of investment advice and portfolio management.

Due to the nature of the service of portfolio management, no cost disclosure is due in relation to each investment decision taken by CISCO. However, ex-ante information about costs and charges is provided before CISCO starts providing the service of portfolio management.

Further details on the costs and charges of CISCO, while providing investment services other than the services of investment advice and portfolio management, are included in the Product Governance and Costs and Associated Charges Information document.

B. Ex-ante costs and associated charges for the investment services provided to you by BOC

Further details on the costs and charges of BOC are included in the Product Governance and Costs and Associated Charges Information document.

C. Inducements / Third party payments

Where we provide investment services other than portfolio management or independent investment advice, we may pay or be paid fees or commissions, or provide or be provided with non-monetary benefits (together "inducements"), in connection with the provision of an investment or an ancillary service, to or by any party except you or a person on behalf of you, only where the inducement is designed to enhance the quality of the service to you and the inducement does not impair compliance with our duty to act honestly, fairly and professionally, in accordance with your best interests.

Where we provide portfolio management and/or independent investment advice to you, we are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of such service to you.

Nonetheless, we are allowed to accept and retain minor non-monetary benefits that can enhance the quality of service provided to you and are of a scale and nature such that they could not be judged to impair compliance with our duty to act in your best interest. Minor non-monetary benefits that are acceptable include, amongst others, the following:

- Information or documentation relating to a Financial Instrument or an investment service, which is generic in nature or personalised to reflect the circumstances of an individual client.
- Written material from a third party that is commissioned and paid for by, for instance, a corporate or potential issuer to promote a new issuance, provided that the relationship is clearly disclosed in the material and that the material is made available to anyone wishing to receive it or to the public.
- Participation in conferences, seminars and other training events on the benefits and features of a specific Financial Instrument or an investment service.
- Hospitality of a reasonable de minimis value, such as food and drink during a business meeting, conference, seminar, or other training event.

11. Client reporting

A. Reporting obligations in respect of execution of orders other than for portfolio management

Where we carry out an order on your behalf, other than for portfolio management, we shall, in respect of that order:

- (a) Promptly provide you, in a durable medium, with the essential information concerning the execution of that order,
- (b) Send you a notice confirming execution of the order as soon as possible, no later than the first Business Day following execution of the order or, if the confirmation is received by us from a third party, no later than the first Business Day following receipt of the confirmation from the third party.

We shall not send you a notice as per point (b) above where the confirmation would contain the same information as a confirmation that is to be promptly dispatched to you by another person.

Additionally, we shall not act as per points (a) and (b) above where the order executed on your behalf relates to bonds funding mortgage loan agreements with you; in this case, the report on the transaction shall be made at the same time as the terms of the mortgage loan are communicated, but no later than one month after the execution of the order.

In case your order relates to units or shares in a collective investment undertaking which is executed periodically, we shall send the notice confirming execution of the order in accordance with point (b) above.

The notice confirming execution of the order, as per point (b) above, shall include, as the case may be:

- (a) our identification,
- (b) your name or other designation,
- (c) the trading day and time,
- (d) the type of the order,
- (e) the execution venue,
- (f) the type of Financial Instrument,
- (g) reference to the nature of the order (buy, sell or other),
- (h) the quantity,
- (i) the unit price,
- (j) the total consideration,
- (k) the total sum of the commissions and expenses charged,
- (l) the rate of exchange obtained where the transaction involves a conversion of currency,
- (m) your responsibilities for the settlement of the transaction, including the time limit for payment or delivery as well as the appropriate account details, if not previously notified to you,
- (n) the fact that we, or any person in our Group, or another client of ours were your counterparty, if such was the case, unless the order was executed through a trading system that facilitates anonymous trading.

You may submit to us in writing your objection as to any part of the notice referred to in point (b) above, within ten (10) Business Days from the date the notice was sent to you by us. Your failure to act as above shall prevent you from raising any objection, contestation, or dispute with respect to the transaction executed for your account. Kindly note that your objection does not result in the cancellation of the transaction and/or the execution of the order.

You may, by written demand, request us to send you information about the status of your order. In addition, you may, by written demand, request us to send you an itemised breakdown of the commissions or expenses charged, in relation to the order executed.

B. Reporting obligations in respect of portfolio management

Where we provide the service of portfolio management to you, we shall send you a periodic statement, in a durable medium, of the activities carried out on your behalf unless such a statement is provided by another person.

Such periodic statement shall provide a fair and balanced review of the activities undertaken and of the performance of the Portfolio during the reporting period and shall include, where relevant, the following information:

- (a) our name
- (b) your name or other designation
- (c) a statement of the contents and the valuation of the Portfolio, including details of each Financial Instrument held, its market value, or fair value if market value is unavailable, the cash balance at the beginning and at the end of the reporting period, and the performance of the Portfolio during the reporting period,
- (d) the total amount of fees and charges incurred during the reporting period, itemising at least total management fees and total costs associated with execution, and including, where relevant, a statement that a more detailed breakdown will be provided on request,
- (e) a comparison of performance during the period covered by the statement with the investment performance benchmark (if any) agreed between you and us,
- (f) the total amount of dividends, interest and other payments received during the reporting period in relation to your Portfolio,
- (g) information about other corporate actions giving rights in relation to Financial Instruments held in the Portfolio,
- (h) for each transaction executed during the reporting period, the information referred to in points (c) to (j) of sub-section A of this Section 11, where relevant, unless you elect to receive information about executed transactions on a transaction-by-transaction basis and we shall then provide you the information as per sub-section A of this Section 11.

We shall provide you with a periodic statement of the portfolio management activities once a month.

Where you receive information from us about executed transactions on a transaction-by-transaction basis, we shall provide you with a periodic statement once every twelve months.

We shall also inform you where the overall value of the Portfolio, as evaluated at the beginning of each reporting period, depreciates by 10% and thereafter at multiples of 10%, no later than the end of the Business Day in which the threshold is exceeded, or in a case where the threshold is exceeded on a day that is not a Business Day, no later than the close of the next Business Day.

C. Additional reporting obligations for contingent liability transactions

Where you have been categorised as a retail client and we hold positions in leveraged Financial Instruments or enter into contingent liability transactions (transactions involving any actual or potential liability for you that exceeds the cost of acquiring the Financial Instruments), we shall inform you, on a portfolio basis, where the initial value of Financial Instruments depreciated by 10% and thereafter at multiples of 10%. Such information shall be provided to you no later than the end of the Business Day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next Business Day.

D. Statements of your Financial Instruments or funds

In case we hold your Financial Instruments or funds, we shall send you, in a Durable Medium, and at least on a quarterly basis, a statement of those Financial Instruments or funds, unless such a statement has already been provided in any other periodic statement. Upon your request, we shall provide such statement more frequently at a commercial cost.

Kindly note that BOC does not have an obligation to send you such a statement in respect of deposits held by it.

The statement of client assets shall include the following information:

- (a) details of all the Financial Instruments or funds held by us for you at the end of the period covered by the statement,
- (b) the extent to which your Financial Instruments or funds have been the subject of securities financing transactions,
- (c) the extent of any benefit that has accrued to you by virtue of participation in any securities financing transactions and the basis on which that benefit has accrued,
- (d) a clear indication of the assets or funds which are subject to the provisions of the Law and those that are not,
- (e) a clear indication of which assets are affected by some peculiarities in their ownership status, for instance due to a security interest and
- (f) the market or estimated value performed by us on a best effort basis, when the market value is not available, of the Financial Instruments included in the statement with a clear indication of the fact that the absence of a market price is likely to be indicative of a lack of liquidity.

Kindly note that we do not provide valuation services in relation to the Financial Instruments held by us and, consequently, the value of your Financial Instruments shown on the periodic statements will be based on information received from reputable published sources and/or our reasonable judgement in relation to which we accept no responsibility for its accuracy and/or correctness.

You are recommended to examine each statement promptly on receipt and to notify us, as soon as reasonably practicable and, the latest, within ten (10) Business Days from the date the statement was sent to you by us, of any errors and discrepancies.

12. Shareholder Engagement Policy

According to EU Directive as regards the encouragement of long-term shareholder engagement 2017/828/EU, and Law 111(I) of 2021 (the Cyprus law transposing this EU Directive) (together referred to as 'SRD II'), asset managers are required to develop and publicly disclose an engagement policy that describes how they encourage shareholder engagement in relation to their investments in EEA companies that are listed on an EEA regulated market.

As CISCO's Asset Management team principally uses funds for client investments, for the purposes of compliance with the above provisions of SRD II, such team shall rely upon the Shareholder Engagement Policies of the relevant underlying Fund Managers used. As such, CISCO's Asset Management team currently follows a passive engagement approach.

13. Sustainability

The investments underlying the provision of investment services do not consider the EU criteria for environmentally sustainable economic activities.