

Summary of the “Expressbank” AD of the conflicts of interest policy

For the provision of an investment service or carrying out an investment activity, “Expressbank” AD (“The Bank”) established and maintains a policy for the identification, prevention and management of conflicts of interests.

The purpose of this policy is to ensure that the Bank complies with good professional practice and conducts its business in an honest, loyal and professional manner, in the best interest of its clients. The purpose of the present document is to inform its clients in a summary form for the Bank’s policy of conflicts of interests also.

At the request of the client further details of that conflicts of interest policy might be presented in a durable medium or by means of the website of the Bank in section [://www.expressbank.bg/bg/mi-fid-ii-ramka/konflikt-na-interesi.html](http://www.expressbank.bg/bg/mi-fid-ii-ramka/konflikt-na-interesi.html) and <https://www.expressbank.bg/bg/spestjavanija/investicionni-fondove.html>.

I. Definition and identification of conflicts of interest

A potential or real conflicts of interest situation in the provision of an investment service or carrying out an investment activity is a situation in which the Bank finds itself, in the course of carrying out its activities, at the centre of multiple interests - those of its clients, its own or those of its employees which may either oppose each other.

Conflict of interests could arise between:

- ✓ A client of the Bank or another entity of the Bank`s Group and the Bank itself, an employee of the Bank or an entity and administrators, and person linked to them and their families by control;
- ✓ Two clients of the Bank or to another entity, part of the Group, or between two clients of different entities, part of the Group.

As a general rule, in order to determine whether conflicts of interest could arise, the Bank takes into account, whether itself, entity, part of the Group or a person directly or indirectly linked by control to the Bank is in one of the following situations:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client;
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services;

receives or will receive an interest from a person other than the client to favour a particular trading position, included in a benchmark.

The following list, which is not exhaustive, gives examples of potential situations of conflicts of interest.

Conflicts of interest may arise between clients of the Bank, for example where Expressbank AD:

- acts on corporate and/or financing transactions involving contradictory interests of two clients of the firm;
- allocates executed orders between clients, which may act of a disadvantage to one client.

Conflicts of interest may arise between a client and the Bank, for example where Expressbank AD:

- acts both as a producer and a distributor of an investment product or service for a retail or professional client, which may conflict with the best interest of the retail/ professional client;
- gives investment advice, on a panel of product including the Bank's products;
- may acts as issuer and develops corporate, investment and private banking activities.

Conflicts of interest may also arise between an employee and a client, because of its outside business activities or its personal investments.

II. Prevention and management of Conflicts of interest

In order to prevent this risk and to strengthen the confidence of its clients, the conflicts of interest policy consists of procedures and controls designed to:

- identify situations where a conflict of interests may arise in the course of our activities (criteria, examples, registers...);
- prevent the occurrence of conflicts of interest, including where necessary declining to carry out an activity, operation or mandate;
- conduct its business activities in a way which ensures that the best interests of our clients are followed and strict confidentiality of information is maintained across all our various activities which could potentially generate conflicts of interest.

These procedures and controls include:

- "Need to know principle" and information Barriers ("Chinese Walls") between business activities. These ensure physical separation of those departments, prevent undue circulation of confidential information, and prevent the use of confidential information in ways that may damage market integrity or client interests;

- remuneration policies for the firm's employees, specifically designed to prohibit direct profit-sharing success fees for a specific transaction;
- arrangements relating to fees, commission or non monetary benefits will be provided in summary form in order to meet our obligations in respect of rules on Inducements;
- dedicated procedures designed to identify and prevent conflicts of interest from arising in respect of our advisory and/or financing business activities;
- procedures to ensure the proper execution of customer orders, particularly in relation to allocation of assets or financial instruments, and primacy of client orders over trading for our own account;
- arrangements relating to gifts and entertainments ;
- frame for personal conduct / employee's outside business interests

In cases where our procedures cannot manage the risk of conflict of interest, and in accordance to the local regulation, the Bank will either decline to act, or where confidentiality considerations permit, will disclose details of the nature or source of a conflict of interest to a client or a potential client such that the client or the potential client may make an informed decision as to whether it is willing to conduct business with Expressbank AD.

III. Employee awareness and Compliance department

Employees are reminded of applicable rules and procedures during training sessions.

Conflicts of interest procedures and controls are managed by the Compliance department, which is independent from the front-office departments. They are reviewed and updated on a regular basis to reflect changes in the law or regulations, or changes to its business activities. Where necessary, subsidiary of the firm or core businesses may establish additional procedure and policies.

Expressbank AD always seeks to operate in the best interest of its clients.

The present document has been drawn up in compliance with and on the legal ground of Article 47, para 1, point h) COMMISSION DELEGATED REGULATION (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive and article 76 Markets in Financial Instruments Act.