

Conflict of Interests Policy of OTP BANK JSC

I. Aim

OTP BANK JSC as financial institution (address: 01033, Ukraine, Kyiv city, 43 Zhylianska street, identification code: код 21685166) (hereinafter – the Bank) provides banking and other financial services to its clients.

In order to prevent, detect and manage conflicts of interest, which may harm the customers, the Bank has developed a procedure, the main principles of which are contained in the current Policy on Conflict of Interest (hereinafter – the Policy). The policy summarizes the circumstances that lead or may lead to a conflict of interest and create unfavorable conditions for the customers. The document contains a brief description of this issue, the provision of investment /supplementary services by the Bank is governed by separate instructions and policies.

In the course of its activities, the Bank as a financial institution demonstrates a high level of professionalism in providing services to the clients and always cares about their interests, first of all. The Bank aims to build long-term relationships with its customers and continuously improve its operations. In order to gain their trust, it provides a comprehensive protection of the clients' interests.

The policy contains detailed procedures and rules for preventing, detecting and managing conflicts of interest that could potentially harm the client.

II. Terms and Abbreviations

The Bank's employee (the employee) – private individual who signed employment contract or has other contractual relations with the Bank (regular or temporary) under which he/she gives the services or perform works to the Bank.

Bank – OTP BANK JSC.

Person associated with the Bank:

For the purposes of the Conflict of Interest Policy, the following persons will qualify as persons associated with the Bank:

- as per the provisions relevant to the organization of business associations, the CEO, his/her partner or equivalent, managing director of the Bank;
- as per the provisions relevant to the organization of business associations, the CEO, his/her partner or equivalent;
- an employee of the Bank, or any other natural person providing services on behalf of and under the control of the Bank, and involved in the performance of the Bank's investment services and activities;- all natural persons directly involved in the outsourcing of the service provided to the Bank, whose purpose is to perform the Bank's investment services and activities;
- a person directly or indirectly associated with the Bank by a control relationship.

Investment service activities and supplementary services: the services defined by the Article 47 of the Law of Ukraine “On Banks and Banking”.

Relevant person:

For the purposes of the Conflict of Interest Policy, the following persons will qualify as Relevant persons:

- member of the Bank's Board of Directors, Supervisory Board, the Bank's CEO;
- employee of the Bank, or any other natural person, who puts his services at and under the Bank's disposal and control, and who participates in the performance of the Bank's investment services and activities;
- a natural person, who directly participates in the services rendered to the Bank, through an outsourcing solution, the purpose of which is to perform the Bank's investment services and activities.

Durable medium: any means allowing the Business Partner to store information personally addressed to him/her in a way allowing access to the information for a duration appropriate to the purpose of the information and thereby enabling the reproduction of the information in the same format.

Client: a natural person, legal person or other organisation without a legal personality to whom or which OTP Bank JSC provides an investment service or a supplementary service. For the purposes of the Conflict of Interest Policy and with a view to information provision to, rating and pre-contact information collection obligation regarding clients, any person intending to use OTP Bank JSC's investment service or supplementary service is also considered a client.

Senior Executive: the Chairman and the members of the Board of Directors and the Supervisory Board, Chief Accountant and its deputies.

III. The scope of the Conflict of Interest Policy

The Conflict of Interest Policy defines the principles, procedures and control functions applicable to various situations related to the Bank's investment service activities and provision of supplementary services. As the Bank qualifies as a credit institution providing investment services, the scope of the Conflict of Interest Policy also extends to the relevant financial services provided by the Bank.

The material scope of the Conflict of Interest Policy does not cover those cases of conflict of interest that relate to the Bank's other services or activities.

With regard to the OTP Group, the Conflict of Interest Policy takes into account the circumstances the Bank has or should have information about and that may result in conflicts of interest generated as a result of the other Group members' structure and business activities.

The Conflict of Interest Policy applies to the Bank, the Bank's Employees, persons associated with the Bank and to conflicts of interest/situations of conflicts of interest between

- the Bank and its Client(s)
- the Bank's Employees, the Person(s) concerned and the Bank or the Business Partners
- Business Partners or groups of Business Partners.

IV. Circumstances leading to conflicts of interest

The Bank examines situations potentially causing conflict of interest from at least the following three aspects:

- (a) from a consumer protection aspect, especially with regard to the information asymmetries between the Bank and the Business Partner;
- (b) from a market supervision aspect, including the examination of any inappropriate use of insider information;
- (c) from a prudential aspect, focusing in particular on fraud associated with by inefficiencies of process engineering or deficiencies in the internal control system or the internal procedural rules.

Any actual or potential conflicting interest that may have adverse consequences for the client must be considered a conflict of interest for the purposes of this Policy. The cases examined by the Bank for conflict of interest include but are not limited to the following:

- (a) (a)the Bank or a person associated with the Bank is likely to gain a financial profit or avoid a financial loss to the detriment of a Business Partner;
- (b) the Bank or a person associated with the Bank has an interest concerning the result of a service provided to the Business Partner or the transaction performed on behalf of the Business Partner, which interest is different from the one of the Business Partner concerning result;
- (c) the Bank or a person associated with a Bank, due to some financial or other intensive, gives priority to the interest of another Business Partner or group of clients over those of the Business Partner;
- (d) the Bank or a person associated with the Bank has interests in the same transaction as the Business Partner;
- (e) the Bank or a person associated with the Bank receives any monetary or non-monetary benefit, or incentive in the form of a service, or will receive that in connection with the service provided to the Business Partner.

When developing services and introducing products, the Bank will seek to prevent the generation of conflict of interest. If conflict of interest cannot be excluded in an area, the Bank will develop such an internal organisational management and regulation

environment, which can guarantee that such conflict of interest will not be detrimental to the Business Partners. Nevertheless, it is not possible to exclude potential conflict of interest in the case of certain services and Business Partners, not even after proper measures have been taken. The Bank will inform the client of these in advance to allow the Business Partner to make an informed decision on whether he/she wants to use the service.

Management of conflicts of interest

All actual or potential conflict of interest generated in the course of the Bank's activities and having or potentially having adverse effects for the Business Partner must be managed by the Bank. To avoid conflict of interest adversely affecting the Business Partners, the Bank makes sure that the Relevant persons involved in the various business activities resulting in a conflict of interest perform their activities independently to the degree that it is appropriate to the activities and size of the activity of the Bank and the Banking Group, and the risk of the damage affecting the interests of the Business Partner.

To this end, the Bank

- (a) provides separate supervision in the case of persons whose primary functions include performing activities on behalf of or providing services to Business Partners whose interests may be in conflict or who may in any other way represent conflicting or different interests, including the interests of the Bank;
- (b) terminates all direct relationship between the remuneration of Relevant persons performing primarily a specific activity and the remuneration to or the revenues generated by Relevant persons who primarily carry out a different activity, if there is any conflict of interest between those activities;
- (c) takes measures to prevent or restrict any person having unauthorized influence over how a Relevant person carries out his/her investment or supplementary services or activities;
- (d) takes measures to prevent or control any Relevant person involved in different investment or supplementary services or activities simultaneously or in succession, if such involvement may hinder the appropriate management of conflicts of interest.
- (e) Controls timely detection, prevention and settlement of a conflict of interests related to the actions or decisions made by the Bank's managers, members of collegiate bodies and other employees of the Bank in favour of the persons associated with them.
- (f) Provides control and supervision over the business and public activities of the Bank's managers and other employees outside the Bank.

The Supervisory Board of the Bank, with the help of Compliance Team, takes measures to prevent conflicts of interest in the Bank, promotes their settlement and

informs the National Bank about the conflicts of interest arising in the Bank by means stipulated by the current legislation.

All employees of the Bank should promptly report about the circumstances that may or may have caused a conflict of interest.

Members of the collegiate bodies of the Bank have a duty to abstain from voting on any matter that may lead to a conflict of interest or impair the objective treatment or proper implementation of such.

If the measures and procedures determined by the Policy are not sufficient, the Bank applies additional measures to manage the risks arising from the conflict of interest.

The Bank must provide the Client with data on the nature and source of the conflict of interest in the event that the Bank does not have an effective control over it and which may cause damage to the Client. The Bank must take all necessary measures to resolve the conflict of interest, which may harm the Client.

As part of the conflict of interest management, the Bank may disclose information about the situation to the Client only if circumstances so require. The client must be notified in writing or by other means of communication. The amount of information should be sufficient (taking into account the characteristics of the Client) for making a decision on the use or non-use of an investment service.

The Bank uses in particular the following procedures and measures to discover, prevent and manage conflict of interest situations:

- (a) the Bank has an independent unit – Compliance Team - whose tasks include, among others, the identification, prevention and management of conflicting interests and conflict of interest;
- (b) the Bank uses internal procedures to ensure that conflicts of interest are discovered and identified when new products and services are introduced or existing services are provided to a new group of Clients;
- (c) the Bank uses methods of organisational separation, i.e. the physical separation of organisational units or other methods, including in particular the introduction of barriers of access to information;
- (d) the Bank has effective internal regulations and procedures in place that comply with the law and that prevent market abuse, including insider trading, the unlawful disclosure of insider information and market manipulation, and also prevent and abuse of the clients' confidential information protected by law or any other confidential information. For this purpose, the Bank will, among other measures, keep records of transactions made on the employees' own account as stipulated in and to the extent defined by law;
- (e) the Bank tracks trading in financial assets/instruments and verifies the transfer of insider information in order to prevent its employees trading in their own name or on the Bank's account from carrying out any abuse of such information to the detriment of other capital market players;

- (f) the Bank develops its internal incentive schemes in a way that the clients' interests are given priority in each phase of the procedure. The Bank uses internal procedural regulations to guarantee that Clients and groups of Clients receive equal treatment;
- (g) in the framework of the provision of investment / related services to the Clients, the Bank acts only in the interests of the Client and cannot remunerate third parties or receive them from them themselves. The Bank informs its Clients of the benefits received by the Bank in carrying out activities in their interests;
- (h) the Bank provides the information to its Clients about the general principles and the procedures applied by the Bank to investigate and manage conflict of interest situations. If the Client rated as a current or future retail client requests more information about the Conflict of Interest Policy, the Bank's Employees will provide the requested information. The Conflict of Interest Policy is a part of the Business Regulations of the Investment Services Business Line, which means that the Policy is available to the Clients in the same form as the Regulation;
- (i) the Bank provides information to the Clients in connection with services, products and conditions, and complies with the consumer protection rules and recommendations when providing the information;
- (j) the Bank monitors its Employees' own investment activities, external shareholdings and additional employment relationships/other forms of legal relationship for the performance of work;
- (k) the Bank specifies rules applicable to its Employees for the provision and acceptance of financial and non-financial remuneration;
- (l) the Bank arranges training for its Employees concerning the identification, prevention and efficient management of conflict of interest situations;

VI. The Bank's procedure

Taking into account the statutory requirements, the regulatory authorities' expectations and best practice applied in business, the Bank will develop appropriate internal regulations allowing situations of conflict of interest to be detected and managed efficiently. With the participation of the affected organisational units, the Bank monitors potential conflicts of interest, defines the general types of the given conflicts of interest and possible circle of cases and, on the basis of this, the conflict of interest criteria and the procedures and measures applied for their management.

When a new product or service is introduced, or a service is offered to a new group of Business Partners, the Bank must discover the conflict of interest related to the product and if they result in a conflict of interest for the purposes of this Policy, the organizational unit will propose an effective procedure to manage the conflict of interest. Compliance Team should be informed, if the conflict of interests is found. In this case it will participate in the conflict of interests management.

The Bank shall keep a Conflict of interest register containing the information on the conflict of interest occurred or may occur (hereinafter – the Register). This register will contain the measures and procedures applied in order to manage the identified conflicts of interest.

The Bank will continuously update the register with any reported cases, with cases of conflict of interest identified otherwise and with changes and modifications in the identified conflict of interest and the measures applied.

The Bank will review the Conflict of Interest Policy or, if necessary, carry out additional reviews.

Compliance Team is in charge of coordinating tasks related to the conflict of interest situations and the maintenance of the Register within the Bank.

In the case of questions or comments regarding the Conflict of Interest Policy, please contact the Bank.

OTP BANK JSC
01033, Ukraine, Kyiv city, 43 Zhylianska street
Tel/fax: (044) 490-05-00/01
Identification code: 21685166
The Bank's code: 300528

License of the NBU # 191 of 05.10.2011